

Commission Hearing - April 9, 1998
Docket No. 9-98
Page 2

CASE 11842: (De Novo)

Application of Mewbourne Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval for its proposed ETA State Well No. 3 at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 8, Township 16 South, Range 35 East, to be drilled to the base of the Morrow formation, said location being unorthodox for any and all gas producing formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation, including but not limited to the Townsend-Morrow Gas Pool, and, if productive, to be dedicated to a 320-acre gas spacing unit consisting of the N/2 of said Section 8. Said well is located approximately 7 miles southwest of Lovington, New Mexico. Upon application of Mewbourne Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11839: (De Novo)

Application of Odessa Oil Investments, Inc. for salt water disposal, Eddy County, New Mexico. Applicant seeks authority to re-enter the existing Lakewood State Com Well No. 1 (formerly the Monsanto Company Lakewood State Com Well No. 1), located 1980 feet from the North and West lines (Unit F) of Section 30, Township 19 South, Range 26 East, and utilize the well to dispose of produced water into the Devonian formation through the open-hole interval from approximately 10,300 feet to 10,700 feet. Said well is located approximately 3 miles west of Lakewood, New Mexico. Upon application of Odessa Oil Investments, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11807: (De Novo - Continued from February 26, 1998, Commission Hearing.)

Application of Stevens & Tull, Inc. for salt water disposal, Lea County, New Mexico. Applicant seeks authority to dispose of water produced from the Yates-Seven Rivers formation back into the Yates-Seven Rivers formation of the West Teas Yates-Seven Rivers Pool in the interval from 2989 feet to 3212 feet in its State "BF" Well No. 4 located 330 feet from the North and East lines (Unit A) Section 16, Township 20 South Range 33 East. In addition, applicant seeks approval of a surface injection pressure of 1,000 psi and an administrative procedure for obtaining further increases in said limitation. Said well is located approximately 3 1/2 miles northeast of the intersection of US Highway 180 and New Mexico Highway 176 in New Mexico. Upon application of Stevens & Tull, Inc. this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11809: (De Novo - Continued from February 26, 1998, Commission Hearing.)

Application of Burlington Resources Oil & Gas Company for compulsory pooling, an unorthodox gas well location and a non-standard proration unit, San Juan County, New Mexico. Applicant seeks an order pooling all mineral owners, including working interests, royalty interests and overriding royalty interests below the base of the Dakota formation (base of the Cretaceous aged formation) to the top of the Pre-Cambrian aged formation underlying all of Irregular Section 8, Township 31 North, Range 10 West, forming a non-standard 639.78-acre gas spacing and proration unit for any formations and/or pools developed on 640-acre gas spacing within said vertical extent. Said unit is to be dedicated to its Marcotte Well No. 2 to be drilled at an unorthodox gas well location 1540 feet from the South line and 935 feet from the East line (Unit I) of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 2 1/2 miles southeast of Cedar Hills, New Mexico. Upon the applications of Total Minatome Corporation, Timothy B. Johnson, Trustee for Ralph A. Bard, Jr. Trust U/A/D February 12, 1983 et al., Lee Wayne Moore and Joann Montgomery Moore, Trustees, and Bert Harris, this case will be heard De Novo pursuant to the provisions of Rule 1220.

DOCKET: COMMISSION HEARING - THURSDAY - APRIL 9, 1998

9:00 A.M. - 2040 SOUTH PACHECO - SANTA FE, NEW MEXICO

The Land Commissioner's designee for this hearing will be Jami Bailey or Gary Carlson

NOTICE

The minutes of the February 26, 1998, Commission hearing will be adopted.

The Oil Conservation Commission will hold an election to determine the Chairman of the Commission.

The following cases are awaiting final Commission action:

De Novo Case 11579: Pogo Producing Company for a pressure maintenance project, Lea County, New Mexico

De Novo Case 11808: Burlington Resources Oil & Gas Company for compulsory pooling and a non-standard gas proration and spacing unit, San Juan County, New Mexico

De Novo Case 11844: Chesapeake Operating, Inc. for an unorthodox oil well location, Lea County, New Mexico

De Novo Case 11894: Chesapeake Operating Inc. for an unorthodox oil well location, Lea County, New Mexico

CASE 11862: (Continued from October 16, 1997, Commission Hearing.)

The Division will present an update on actions taken by the Division regarding the Commissioners April 10, 1997 directive to the Division to present a rule change to the Commission which would bring all Section 70-2-12B.(22) facilities under the jurisdiction of the Commission. AT THE REQUEST OF THE OIL CONSERVATION DIVISION, THIS CASE WILL BE CONTINUED FOR SIX MONTHS.

CASE 11705: (Continued from February 26, 1998, Commission Hearing)

Proposed amendments may be viewed on the net.

Application of the Oil Conservation Division to amend Order R-8170, as amended, "General Rules for the Prorated Pools of New Mexico." Applicant seeks to amend Order No. R-8170, as amended, to simplify the testing and proration rules as applied to the prorated pools of Northwest New Mexico.

CASE 11838: (De Novo - Continued from February 26, 1998, Commission Hearing.)

Application of Premier Oil & Gas, Inc. to have a wellbore of its included in the Avalon (Delaware) Unit operated by Exxon Company USA, Eddy County, New Mexico. Applicant seeks to include its FV-1 Well located 1980 feet from the North line and 990 feet from the East line (Unit H) of Section 25, Township 20 South, Range 27 East, as a unit wellbore in the Avalon (Delaware) Unit, including but not limited to amending Exhibit H of the Unit Operating Agreement to include said wellbore and to qualify said wellbore a useable wellbore committed to its Avalon (Delaware) Unit prior to October 1, 1997. Said unit is located approximately 7 miles southeast of Lakewood, New Mexico. Upon application of Premier Oil & Gas, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

THIS HEARING WILL BE LIMITED TO ARGUMENTS REGARDING DISMISSAL OF THIS CASE AT THE DIVISION LEVEL.