

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 23, 1997

8:15 AM - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 34-97 and 35-97 are tentatively set for November 6, 1997 and November 20, 1997. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11851: (Continued from October 9, 1997, Examiner Hearing.)

Application of Okie Operating Company, Limited Partnership for a waterflood project, Eddy County, New Mexico. Applicant seeks authority to institute a waterflood project on its W. V. Hutcherson Lease located in portions of Section 21, Township 8 South, Range 34 East, by the injection of water into the San Andres formation, West Milnesand-San Andres Pool, through the perforated interval from approximately 4,506 feet to 4,578 feet in its W. V. Hutcherson Well No. 1 located 1980 feet from the North and West lines (Unit F) of Section 21. Said project is located approximately 7 miles west-southwest of Milnesand, New Mexico.

CASE 11863: **Application of Dugan Production Corporation for surface commingling and off-lease measurement, San Juan County, New Mexico.** Applicant seeks authority to surface commingle gas production from the Harper Hill Fruitland Sand-Pictured Cliffs and Basin-Fruitland Coal Gas Pools within six of its wells located on State, Federal and Fee lands in Section 1, Township 29 North, Range 14 West, and Sections 35 and 36, Township 30 North, Range 14 West. The applicant further seeks authority to allocate gas production to each of its wells on the basis of well tests and to measure the total gas production at a central facility located in the NE/4 NW/4 of Section 1. These wells are located approximately 4 miles northwest of Farmington, New Mexico.**CASE 11864:** (This Case Will Be Continued to November 6, 1997.)

Application of Nadel and Gussman Permian, LLC, for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the West Hobbs State Unit Agreement for an area comprising 3,360 acres, more or less, of State and fee lands consisting of all of Section 5, SE/4 of Section 7, all of Section 8, SW/4 of Section 9, all of Section 16, N/2 and SE/4 of Section 17, and all of Section 18, Township 18 South, Range 37 East. Said unit area is located approximately 4.5 miles west of Hobbs, New Mexico.

CASE 11842: (Readvertised)

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.

CASE 11849: (Reopened)

Application of Chevron U.S.A. Inc. for an unorthodox gas well location, simultaneous dedication, and to reinstate Division Order No. R-1084-B, Lea County, New Mexico. Applicant seeks to reinstate Division Order No. R-1084-B, dated May 23, 1991, which authorized a 440-acre non-standard gas spacing and proration unit "GPU" in the Eumont Gas Pool comprising the SW/4 of Section 1 and the NE/4, N/2 NW/4, and SE/4 NW/4 of Section 12, both in Township 22 South, Range 36 East, which is located approximately 4 miles west-southwest of Eunice, New Mexico. Applicant further seeks approval of an unorthodox Eumont gas well location for said 440-acre GPU of its existing H. T. Mattern (NCT-E) Well No. 3 (API No. 30-025-08880), located 660 feet from the North and West lines (Unit D) of said Section 12. Eumont gas production attributed to said 440-acre GPU is to be simultaneously dedicated to said H. T. Mattern (NCT-E) Well No. 3 and its H. T. Mattern (NCT-E) Well Nos. 10, 11, and 13 located in Unit N of said Section 1 and Units B and H of said Section 12, respectively. **In the absence of objection, this application will be taken under advisement.**

CASE 11865: (This Case Will Be Continued to November 6, 1997.)

Application of Thompson Engineering & Production Corp. for an unorthodox gas well location and downhole commingling, San Juan County, New Mexico. Applicant seeks authorization to drill its Blancett Well No. 2R at an unorthodox "off-pattern" coal gas location in the Basin-Fruitland Coal Gas Pool 790 feet from the South line and 830 feet from the East line (Unit P) of Section 13, Township 20 North, Range 12 West. Applicant also seeks authority to downhole commingle production from the Pictured Cliffs formation, Aztec-Pictured Cliffs Gas Pool, and the Fruitland formation, Basin-Fruitland Coal Gas Pool within the wellbore of said well. The E/2 of said Section 13 is to be dedicated to said well forming a standard 320-acre spacing and proration unit. Said unit is located approximately 20 miles north-northeast of Crownpoint, New Mexico.

CASE 11866: Application of Stevens & Tull, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4 SE/4 of Section 25, Township 20 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools spaced on 40-acre spacing, including but not limited to the DK-Abo Pool. Said unit is to be dedicated to its D-K Well No. 6 to be drilled and completed at a standard well location in Unit P of said Section 25. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 14 miles southeast of Hobbs, New Mexico.

CASE 11859: (Continued from October 9, 1997, Examiner Hearing.)

Application of Louis Dreyfus Natural Gas Corp. for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 13, Township 22 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing, including but not limited to the Happy Valley-Morrow Gas Pool; the SE/4 to form a 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing; and the SW/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its McGruder Federal Com "13" Well No. 1 which will be a directional wellbore with a surface location 280 feet from the South line and 1930 feet from the West line and with a bottomhole location 710 feet from the South line and 1650 feet from the East line (Unit O) of said Section 13. 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 units are located approximately 6 miles southwest of Carlsbad, New Mexico.

CASE 11867: In the matter of the hearing called by the Oil Conservation Division for an order creating, contracting, reclassifying, and redesignating certain pools in Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Brushy Canyon production and designated as the Antelope Ridge-Brushy Canyon Pool. The discovery well is the TOCO LLC Newkumet Federal Well No. 1 located in Unit H of Section 10, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 10: NE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Berry-Wolfcamp Pool. The discovery well is the Yates Petroleum Corporation Alphabet AQR State Well No. 1 located in Unit F of Section 17, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 17: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Brinninstool-Wolfcamp Pool. The discovery well is the Santa Fe Energy Resources Inc. Thistle Unit Well No. 2 located in Unit E of Section 28, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM

Section 28: NW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for McKee production and designated as the North Eunice-McKee Pool. The discovery well is the Conoco Inc. Deck Estate 7 Well No. 1 located in Unit L of Section 7, Township 21 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 7: SW/4