

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 19, 1998

8:15 AM - 2040 South Pacheco
Santa Fe, New Mexico

Dockets Nos 8-98 and 9-98 are tentatively set for April 2, 1998 and April 16, 1998. 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 11947: Application of Exxon Corporation for a waterflood project and to qualify said project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a secondary recovery project in its proposed Knox-Adkins Cooperative Leasehold Waterflood Project by the injection of water into the Blinebry formation in the Oil Center-Blinebry Pool, encompassing 640 acres of fee land comprising all of Section 10, Township 21 South, Range 36 East. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is located immediately east of Oil Center, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 11926: (Readvertised)

Application of KCS Medallion Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 33, Township 19 South, Range 28 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including but not limited to the Undesignated Winchester-Morrow Gas Pool, the Winchester-Atoka Gas Pool, and the North Burton Flat-Strawn Gas Pool. Said unit will be dedicated to its Many Sands "33" Well No. 1, to be drilled at an orthodox location 1650 feet from the South line and 660 feet from the West line (Unit L) of said Section 33. 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 the risk involved in drilling said well. Said unit is located approximately 11 miles east-southeast of Lakewood, New Mexico.

CASE 11906: (Continued from February 19, 1998, Examiner Hearing - This Case Will Be Dismissed.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation underlying the following described acreage in Section 5, Township 20 South, Range 25 East and in the following manner: Lots 1, 2 and the S/2 NE/4 (the NE/4) to form a standard 160.45-acre oil spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent, including the Undesignated North Dagger Draw-Upper Pennsylvanian Pool; and the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools spaced on 40 acres within said vertical extent, including the Undesignated Seven Rivers-Yeso Pool. Said units are to be dedicated to applicant's S.P. Johnson Com Well No. 2, located 1650 feet from the North line and 1980 feet from the East line (Unit G) of said Section 5. 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 the risk involved in drilling said well. Said unit is located approximately 4.5 miles west-northwest of Seven Rivers, New Mexico.

CASE 11941: (Continued from March 5, 1998, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 11, Township 24 South, Range 24 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Mosley Canyon-Strawn Gas Pool and the Baldrige Canyon-Morrow Gas Pool. Said unit is to be dedicated to its Baldrige Canyon "11" State Com. Well No.1, located 1650 feet from the South line and 660 feet from the West line (Unit L) of said Section 11. 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 the risk involved in drilling said well. Said unit is located approximately 7 miles northwest of Whites City, New Mexico.

CASE 11948: Application of Sonat Exploration Company for blanket surface commingling, Eddy and Lea Counties, New Mexico. Applicant seeks blanket approval to surface commingle Delaware production within ten federal leases from all existing wells and any wells to be drilled within a Project Area which includes all or portions of Sections 1, 8, 9, 10, 11, 12 and 15, Township 24 South, Range 31 East, and portions of Section 18, Township 24 South, Range 32 East, which is located approximately where Highway 128 intersects the Eddy/Lea County Line.

CASE 11949: **Application of Thornton Operating Corporation to amend Division Order No. R-9514-C, Chaves County, New Mexico.** Applicant seeks an amendment to Division Order No. R-9514-C, issued in Case 11615 and dated June 5, 1997 which authorized the reentry and directional drilling of the McClellan Federal Well No. 1 from a previously approved surface location 182 feet from the North line and 507 feet from the West line (Unit D) of Section 26, Township 13 South, Range 29 East, to authorize a new unorthodox bottomhole location for this well in the Devonian formation 68 feet from the South line and 263 feet from the West line (Unit M) of Section 23, Township 13 South, Range 29 East. This well is located approximately 18 miles east of Hagerman, New Mexico.
IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 11950: **Application of Enron Oil & Gas Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Chester formation, or a depth of 11,800 feet, underlying Lots 1, 2, 3, and 4 and the E/2 W/2 (W/2 equivalent) of Section 31, Township 17 South, Range 30 East, in the following described manner: Lots 1, 2, 3 and 4 and the E/2 W/2 forming a 310.56-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing; Lots 3 and 4 and the E/2 SW/4 for any and all formations and/or pools developed on 160-acre spacing; Lot 4 and the SE/4 SW/4 for any and all formations and/or pools developed on 80-acre spacing; and Lot 4 for any and all formations and/or pools developed on 40-acre spacing. Applicant proposes to dedicate these pooled units to its Sand Tank "31" Fed. Com Well No. 2 to be drilled at an unorthodox location 990 feet from the South line and 1200 feet from the West line of said Section 31. Said location was approved by Division Order No. NSL-3932 on January 14, 1998. 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 the risk involved in drilling said well. Said area is located approximately 2 miles southwest of Loco Hills, New Mexico.

CASE 11934: **(Readvertised - This Case Will Be Continued to April 2, 1998.)**

Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests underlying the following described acreage in irregular Section 2, Township 16 South, Range 35 East, in the following manner: Lots 11, 12, 13, 14 and the SW/4 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent; Lots 11, 12, 13 and 14 to form a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; Lots 13 and 14 to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent; and Lot 13 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said units are to be dedicated to the proposed Fields "APK" State Com Well No. 3 which will be drilled at a standard location 3300 feet from the South line and 760 feet from the West line of said Section 2. 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 the risk involved in drilling said well. Said area is located approximately 4 miles west of Lovington, New Mexico.

CASE 11951: **Application of Nearburg Exploration Company, L.L.C. for an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks authorization to drill a well to the Morrow formation, Undesignated South Carlsbad-Morrow Gas Pool, at an unorthodox well location 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 22, Township 23 South, Range 26 East. The N/2 of said Section 22 is to be dedicated to said well forming a standard 320-acre spacing and proration unit. Said unit is located approximately 8 miles south-southwest of Carlsbad, New Mexico.

CASE 11940: **(Continued from March 5, 1998, Examiner Hearing.)**

Application of Manzano Oil Corporation for compulsory pooling and 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 following described area in Section 4, Township 22 South, Range 27 East in the following manner: the S/2 for all formations developed on 320-acre spacing which presently includes but is not necessarily limited to the South Carlsbad-Morrow Gas Pool and the Undesignated South Carlsbad-Strawn Pool; the SE/4 for all formations developed on 160-acre spacing; the E/2 SE/4 for all formations developed on 80-acre spacing; and the SE/4 SE/4 for all formations developed on 40-acre spacing which presently includes but is not limited to the Esperanza-Delaware Pool. Applicant proposes to dedicate these pooled units to its Esperanza Well No. 1 to be drilled at an unorthodox location 660 feet from the South line and 990 feet from the East line (Unit P) of said Section 4. 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 the risk involved in drilling said well. Said area is located approximately 2 miles southeast of Carlsbad, New Mexico.