Examiner Hearing - May 14, 1998 Docket No. 13-98

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## CASE 11958: (Continued from April 30, 1998, Examiner Hearing.)

Application of Ocean Energy, Inc. for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in irregular Section 2, Township 16 South, Range 35 East, and in the following manner: Lots 9-16 of Section 2 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 the Undesignated Townsend-Morrow Gas Pool and the Undesignated North Townsend-Mississippian Gas Pool; and Lots 13 and 14 of Section 2 to form a standard 80-acre oil spacing and proration unit for any formations and/or pools spaced on 80 acres within said vertical extent, including the South Big Dog-Strawn Pool. Said units are to be dedicated to its Townsend State Com. Well No. 2, located at an unorthodox location 3250 feet from the South line and 1400 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 unit is located approximately 5 miles west-northwest of Lovington, New Mexico.

## CASE 11959: (Continued from April 30, 1998, Examiner Hearing.)

Application of Ocean Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the S/2 of irregular Section 2. Township 16 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, including the Undesignated Townsend-Morrow Gas Pool and the Undesignated North Townsend-Mississippian Gas Pool. Said unit is to be dedicated to its Townsend State Com. Well No. 6, located at an orthodox location 990 feet from the South line and 1650 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 unit is located approximately 5 miles west of Lovington, New Mexico.

## CASE 11934: (Continued from April 16, 1998, Examiner Hearing.)

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 320-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.

- <u>CASE 11977:</u> In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Rio Arriba and San Juan Counties, New Mexico.
  - (a) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Ojo Alamo production and designated as the Cabresto Canyon-Ojo Alamo Pool. The discovery well is the Robert L. Bayless Jicarilla 459 Well No. 3 located in Unit G of Section 18, Township 30 North, Range 3 West, NMPM. Said pool would comprise:

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM Section 18: NE/4

(b) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Ice Canyon-Gallup Pool. The discovery well is the Caulkins Oil Company Breech Well No. 377 located in Unit M of Section 23, Township 26 North, Range 7 West, NMPM. Said pool would comprise:

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM Section 23: SW/4 (c) EXTEND the Barker Dome-Desert Creek Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM Section 31: All

(d) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM

Section 4: E/2 Section 9: E/2 Section 10: S/2 Section 15: All Section 16: E/2 Section 21: E/2 Section 22: All Section 27: All Section 28: E/2 Section 33: E/2 Section 34: All

TOWNSHIP 30 NORTH, RANGE 10 WEST, NMPM Section 21: NE/4

(e) EXTEND the South Blanco-Tocito Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM Section 2: SW/4 Section 3: SE/4 Section 10: NE/4

(f) EXTEND the Carracas-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 4 WEST, NMPM Section 27: NE/4

(g) EXTEND the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM Section 7: S/2 Section 18: All

TOWNSHIP 30 NORTH, RANGE 13 WEST, NMPM Section 34: SE/4 Section 35: S/2 Section 36: S/2

(h) EXTEND the Gallegos-Fruitland Sand Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM Section 14: S/2

(i) EXTEND the Gavilan-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM Section 2: S/2 Section 3: SE/4