

DOCKET: EXAMINER HEARING - THURSDAY - APRIL 1, 1999

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 11-99 and 12-99 are tentatively set for April 15, and April 29, 1999. 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 12151: Continued from March 18, 1999, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location for all zones from the top of the Wolfcamp formation to the base of the Morrow formation in its Range State Well No. 2, to be located 660 feet from the South line and 990 feet from the East line (Unit P) of Section 28, Township 21 South, Range 35 East. The S/2 of Section 28 will be dedicated to the well. The unit is located approximately 12 1/2 miles west of Eunice, New Mexico.

CASE 12132: Readvertised

Application of Nearburg Exploration Company, L.L.C. for pool creation and special pool rules, Lea County, New Mexico. Applicant seeks the creation of a new pool for the production of hydrocarbons from the Strawn formation to include the NE/4 of Section 15, Township 16 South, Range 32 East. Applicant also seeks the setting of special rules for this new pool including provisions for 80-acre spacing and special well location requirements. This area is located approximately 5 miles north of Maljamar, New Mexico.

CASE 12152: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the W/2 including the Anderson Ranch-Morrow Gas Pool, in all formations developed on 160-acre spacing in the SW/4, in all formations developed on 80-acre spacing in the W/2 SW/4, and in all formations developed on 40-acre spacing in the NW/4 SW/4 of Section 10, Township 16 South, Range 32 East. These units are to be dedicated to its Rancho Verde 10 State Com Well No. 1 to be drilled at a standard location in the NW/4 SW/4 (Unit L) of Section 10 to a depth sufficient to test all formations from the surface to the base of the Mississippian formation. This area is located approximately 6 miles north of Maljamar, New Mexico.

CASE 12130: Readvertised – Continued from March 18, 1999, Examiner Hearing.

Application of Yates Petroleum Corporation for an unorthodox gas well location to accommodate the rededication of acreage for geologic reasons, Lea County, New Mexico Applicant seeks authorization to change the spacing and proration unit dedicated to its Sand Spring State Well No. 1 located 330 feet from the North line and 1650 feet from the West line (Unit C) of Section 11, Township 11 South, Range 34 East, in the Atoka and Morrow formations, Sand Spring-Atoka Gas Pool, from a N/2 to a W/2 spacing and proration unit. These spacing units are approximately 10 miles northwest of Tatum, New Mexico

CASE 12128: Continued from March 18, 1999, Examiner Hearing.

Application of Yates Petroleum Corporation for extension of the vertical limits of the Sand Springs-Atoka Gas Pool and for special pool rules, Lea County, New Mexico. Applicant seeks the expansion of the vertical limits of the Sand Springs-Atoka Gas Pool to include both the Atoka and Morrow formations and for the issuance of special pool rules for this expanded pool including provisions for a second gas well on each standard spacing and proration unit in the pool. This Sand Springs-Atoka Gas Pool is located in portions of Sections 1 and 2 of Township 11 South, Range 34 East. This area is located approximately 11 miles northwest of Tatum, New Mexico.

CASE 12080: Continued from February 18, 1999, Examiner Hearing.

Application of David H. Arrington Oil and Gas, Inc. for amendment of Division Order No. R-11028, Lea County, New Mexico. Applicant seeks an order amending Order No. R-11028 to pool all mineral interests from the surface to the base of the Lower Mississippian formation, underlying Lots 11 through 14 and the SW/4 for all formations developed on 320-acre spacing including the Undesignated North Shoe Bar-Atoka Gas Pool, Undesignated North Hume-Morrow Gas Pool and the Undesignated Townsend-Morrow Gas Pool, the SW/4 for all formations developed on 160-acre spacing, the N/2 SW/4 for all formations developed on 80-acre spacing including but not limited to the Undesignated Big Dog-Strawn Pool, and the NE/4 SW/4 for all formations developed on 40-acre spacing including the Undesignated Northwest Townsend-Abo Pool, Townsend-Permo Upper Pennsylvanian Pool and the Undesignated Townsend-Strawn Pool, all in Section 3, Township 16 South, Range 35 East. Applicant proposes to dedicate these pooled units to its Parachute Hopper Well No. 1 to be drilled at a standard gas well location in the NE/4 SW/4 of Section 3. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost 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 the well. The area is located approximately 5 miles west of Lovington, New Mexico.

CASE 12153: **Application of ARCO Permian for Certification of a Positive Production Response within the South Justis Unit Waterflood Project, Lea County, New Mexico.** Applicant seeks certification by the Division that a positive production response to secondary recovery waterflood operations has occurred within Phases IIA, IIB and IIC of its South Justis Unit Waterflood Project, located in portions of Townships 25 and 26 South, Ranges 37 and 38 East. This project was certified January 5, 1994 by the Division to be a qualified Enhanced Oil Recovery Project by Order No. R-9747. This project is located approximately 4 miles east of Jal, New Mexico.

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CASE 12037: **Readvertised - Continued from March 4, 1999, Examiner Hearing.**

Application of Yates Petroleum Corporation for pool contraction, pool extension and special pool rules, or in the alternative, simultaneous dedication, Lea County, New Mexico. Applicant seeks contraction and extension of the boundaries of the North Shoe Bar-Atoka Gas Pool to conform to the acreage dedicated to the wells therein, and the promulgation of Special Pool Rules which authorize a second well on each standard spacing and proration unit in the pool. In the alternative, applicant seeks authorization to simultaneously dedicate its Brunson AQK State Com Well No. 1 located 2260 feet from the North line and 1795 feet from the East line and its Big Flat ASN State Com. Well No. 1 located 1650 feet from the South line and 1980 feet from the East line, both in Section 10, Township 16 South, Range 35 East, to a standard gas spacing unit comprised of the E/2 of Section 10 in the North Shoe Bar-Atoka Gas Pool. Said wells are located approximately 6 miles west of Lovington, New Mexico.

CASE 12154: **This Case Will Be Continued to April 15, 1999, Examiner Hearing.**

Application of Texaco Exploration & Production, Inc. for Certification of a Positive Production Response within the Cooper Jal Unit Area, Lea County, New Mexico. Applicant seeks certification by the Division that a positive production response to secondary recovery waterflood operations has occurred within its Cooper Jal Jalmat and Cooper Jal Langmat Waterflood Projects, both located within the Cooper Jal Unit Area in portions of Township 24 South, Ranges 36 and 37 East. These projects were certified by the Division to be qualified Enhanced Oil Recovery Projects by Order No. R-9983 dated October 6, 1993. These projects are located approximately 6 miles northwest of Jal, New Mexico.

CASE 12141: **Continued from March 18, 1999, Examiner Hearing.**

Application of Falcon Creek Resources, Inc. for surface commingling, off-lease measurement and storage, Lea County, New Mexico. Applicant seeks an exception to Division Rules 309-A and 303.A to permit surface commingling, off-lease measurement and storage of West Teas Yates-Seven Rivers Pool production from its BF State Lease in the E/2 NE/4, SW/4 NE/4, NW/4 SE/4 and N/2 SW/4 and its Conoco State Lease in the N/2 NW/4 all in Section 16, Township 20 South, Range 33 East which shall be stored and measured at its centralized facility located in Unit G of this section. This facility is located approximately 4 miles northeast of the intersections of Federal Secondary Highway FAS 1217 and US Highway 180.

CASE 12155: **Application of Devon Energy Corporation (Nevada) for surface commingling and lease commingling, Eddy County, New Mexico.** Applicant seeks an exception to Division Rules 303.B and 309.B to permit surface and lease commingling of Red Lake Queen-Grayburg-San Andres Pool, Glorieta formation, and Yeso formation production from 14 wells drilled or to be drilled on the NE/4 SW/4, S/2 SW/4, and SE/4 of Section 35, Township 17 South, Range 27 East, without separately metering production from each well. These lands are located approximately 11 miles southeast of Artesia, New Mexico. **IN THE ABSENCE OF OBJECTION THIS CASE WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12156: **Application of Cross Timbers Oil Company for compulsory pooling and an unorthodox gas well location, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal Gas Pool underlying Lots 1, 2, E/2 NW/4, and NE/4 (N/2 equivalent) of Section 31, Township 30 North, Range 12 West, in the following manner: the N/2 to form a standard 318.74-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre gas spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool; and the NE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre gas spacing within that vertical extent, including the Undesignated Crouch Mesa-Fruitland Sand Pool. These units are to be dedicated to its Federal Gas Com. H Well No. 2, to be drilled at an unorthodox gas well location 2045 feet from the North line and 1685 feet from the East line of Section 31. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cross Timbers Operating Company as the operator of the well and a charge for risk involved in this well. These units are located approximately 3½ miles southwest of Flora Vista, New Mexico.

CASE 12142: **Readvertised**

Application of Cross Timbers Oil Company for compulsory pooling and an unorthodox oil well location, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying the following described acreage in Section 32, Township 28 North, Range 10 West, in the following manner: the W/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre gas spacing within that vertical extent, including the Basin-Dakota Gas Pool; the NW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre gas spacing within that vertical extent, including the Undesignated Otero-Chacara Gas Pool; and the SW/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Kutz-Gallup Pool. These units are to be dedicated to its Federal A Well No. 1E, to be drilled at an orthodox gas well location/unorthodox oil well location 1535 feet from the North line and 1055 feet from the West line (Unit E) of Section 32. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cross Timbers Operating Company as the operator of the well and a charge for risk involved in this well. These units are located approximately 7 miles southeast of Bloomfield, New Mexico.