

Dockets Nos. 5-92 and 6-92 are tentatively set for February 20, 1992 and March 5, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 6, 1992

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner or Michael E. Stogner, Alternate Examiner:

CASE 10438: Application of Collins & Ware, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Muley Unit Agreement for an area comprising 5757.4 acres, more or less, of Federal, State and Fee lands in portions of Township 23 South, Ranges 25 and 26 East, which is centered approximately 8.5 miles southwest by west of the Cavern City Air Terminal.

(Continued from January 23, 1992, Examiner Hearing.)

Application of Hal J. Rasmussen Operating, Inc. for pool reclassification and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order reclassifying the Wilson Yates-Seven Rivers Pool, located in Township 21 South, Ranges 34 and 35 East, as an associated pool to be governed by the General Rules and Regulations for Associated Pools in Southeast New Mexico, as promulgated by Division Order No. R-5353, as amended. Applicant further seeks special provisions to provide for 160-acre gas and 40-acre oil proration units, a special gas/oil ratio limitation of 10,000 cubic feet of gas per barrel of oil, and any other provisions which may be applicable in this instance. Said pool is located approximately 15 miles west of Eunice, New Mexico.

CASE 10419: (Reopened and Readvertised)

Application of BTA Oil Producers for an unorthodox gas well location, Eddy County, New Mexico. Due to inadvertence made by the Division's staff member responsible for reviewing applications to be set for hearing this matter is being reopened at this time. IN THE ABSENCE OF OBJECTION THIS CASE WILL BE TAKEN UNDER ADVISEMENT. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Undesignated South Carlsbad-Morrow Gas Pool for a well to be drilled 1150 feet from the South line and 1650 feet from the East line (Unit O) of Section 4, Township 24 South, Range 26 East, which is located approximately 3.5 miles northwest of Black River Village, New Mexico. The S/2 of said Section 4 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool.

CASE 10422: (Continued from January 23, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the SE/4 of Section 8, Township 19 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard location in the NW/4 SE/4 (Unit J) 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 unit is located approximately 8.5 miles southwest by west of Dayton, New Mexico.

CASE 10439: Application of Anadarko Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter and deepen the previously plugged and abandoned Hudson & Hudson, Inc. Saunders "A" Well No. 1 to the Capitan Reef and dispose of produced salt water in the open hole interval from approximately 3500 feet to 4300 feet. Said well is located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 19, Township 19 South, Range 33 East, which is approximately 14.5 miles south by east of Maljamar, New Mexico.

CASE 10440: Application of OXY USA, Inc. for extension of the vertical limits for a portion of the Langlie-Mattix Pool and the concomitant contraction of a portion of the Jalmat Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the contraction of the vertical limits of the Jalmat Gas Pool and the concomitant upward extension of the vertical limits of the Langlie-Mattix Pool to a depth of 3400 feet, subsurface, underlying the SW/4 SE/4 (Unit O) of Section 19, Township 24 South, Range 37 East, which is located approximately 5.5 miles north of Jal, New Mexico.

CASE 10441: Application of Manzano Oil Corporation for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the S/2 SE/4 of Section 1, Township 16 South, Range 36 East, forming a standard 80-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at an unorthodox oil well location 330 feet from the South line and 1980 feet from the East line (Unit W) of said Section 1. 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 unit is located approximately 2 miles east of the Lea County Fair Grounds.

CASE 10414: (Reopened)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Lea, Chaves, and Roosevelt Counties, New Mexico.

This case will be reopened solely to consider the extension of the West Milnesand-Pennsylvanian Pool in Chaves County.

m. EXTEND the West Milnesand-Pennsylvanian Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM

Section 24: NE/4

Dockets Nos. 4-92 and 5-92 are tentatively set for February 6, 1992 and February 20, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 23, 1992

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner:

CASE 10437: Application of the Mark Clark d/b/a Desert States Energy, Inc. for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 920 feet from the South line and 1310 feet from the East line (Unit P) of Section 13, Township 11 South, Range 27 East, to test the Chisum-Devonian Pool, the SE/4 SE/4 of said Section 13 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is located approximately 4.5 miles south of U. S. Highway 380 at mile market No. 175.

CASE 10434: (Continued from January 9, 1992, Examiner Hearing.)

Application of Hal J. Rasmussen Operating, Inc. for pool reclassification and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order reclassifying the Wilson Yates-Seven Rivers Pool, located in Township 21 South, Ranges 34 and 35 East, as an associated pool to be governed by the General Rules and Regulations for Associated Pools in Southeast New Mexico, as promulgated by Division Order No. R-5353, as amended. Applicant further seeks special provisions to provide for 160-acre gas and 40-acre oil proration units, a special gas/oil ratio limitation of 10,000 cubic feet of gas per barrel of oil, and any other provisions which may be applicable in this instance. Said pool is located approximately 15 miles west of Eunice, New Mexico.

CASE 10407: (Continued from December 19, 1991, Examiner Hearing.)

Application of Great Lakes Chemical Corporation for an exception to Division Order No. R-333-I and the Reassignment of Retroactive Gas Allowables, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the retroactive reassignment of gas allowables to the following six wells located in Township 27 North, Range 8 West, Blanco-Mesaverde Pool, said allowable for each well to be based on delinquent deliverability tests. The applicant further requests an exception to the provisions of Division Order No. R-333-I whereby each well would be exempt from any late penalties on allowables caused by failure to submit deliverability well test data in a specified time:

- Graham Well No. 1 (Unit A) Section 4
- Graham Well No. 1A (Unit P) Section 4
- Graham Well No. 3 (Unit J) Section 3
- Hammond Well No. 5 (Unit F) Section 35
- Hammond Well No. 55 (Unit B) Section 26
- Hammond Well No. 55 A (Unit D) Section 26

CASE 10421: (Continued from December 19, 1991, Examiner Hearing.)

Application of Union Oil Company of California d/b/a UNOCAL for designation of a tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Blanco-Mesaverde Pool underlying portions of Townships 26 and 27 North, Ranges 6 and 7 West, containing 20,642.7 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area is located 22 miles southeast by east of Blanco, New Mexico.

CASE 10422: (Continued from January 9, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the SE/4 of Section 8, Township 19 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard location in the NW/4 SE/4 (Unit J) 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 unit is located approximately 8.5 miles southwest by west of Dayton, New Mexico.

Dockets Nos. 3-92 and 4-92 are tentatively set for January 23, 1992 and February 6, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 9, 1992

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner or Michael E. Stogner, Alternate Examiner:

CASE 10432: Application of the OCD on its own motion to consider the amendment of Division Order No. R-6388-A, special rules and procedures for tight formation designations under Section 107 of the Natural Gas Policy Act of 1978. The Division seeks to adopt an administrative procedure for reviewing such applications for tight formation designations and submitting its recommendations to the FERC. Also to be considered are minor changes and/or additions to meet certain FERC requirements for such procedure.

CASE 10399: (Continued from December 5, 1991, Examiner Hearing.)

Application of Meridian Oil, Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, non-standard oil proration unit, special project allowable and increase in gas-oil ratio, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Rio Puerco-Mancos Oil Pool by commencing its San Isidro Wash Well No. 1 at a standard surface oil well location tentatively selected in the NW/4 NW/4 (Unit D) of Section 21, Township 20 North, Range 3 West, drill vertically to a depth of approximately 3,000 feet, kick-off in a southeasterly direction, build angle up to approximately 80 degrees and then drill horizontally for approximately 4,000 feet. Applicant, further seeks the adoption of special operating provisions and rules within the pilot project area including a special project allowable of up to 640 BOPD with a GOR of 1,000 to 1, and an unorthodox well location exception. Applicant further seeks the flexibility to dedicate the N/2 of said Section 21 to the well as a standard 320-acre spacing unit or, in the alternative, the approval of all of Section 21 as a 640-acre non-standard spacing unit. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot setback from the outer sides of the assigned spacing unit. Said unit is located approximately 12 miles west-southwest of Cuba, New Mexico.

CASE 10433: Application of Geodyne Operating Company to amend Division Administrative Order No. SWD-449, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Administrative Order No. SWD-449, which order authorized the applicant to utilize the PFI Amoco "19" Federal Well No. 2 located 1687 feet from the South line and 2041 feet from the West line (Unit K) of Section 19, Township 22 South, Range 26 East, as a disposal well, injection to occur into the Delaware formation at approximately 2332 feet to 4538 feet, by contracting the injection interval to approximately 2332 feet to 2446 feet. Applicant further seeks the deletion of a provision within said order which required the applicant to perform remedial cement work on the Mitchell Energy Corporation McKittrick "30" Federal Well No. 1 located in Unit C of Section 30, Township 22 South, Range 26 East. Said well is located approximately 6.5 miles southwest of Carlsbad, New Mexico.

Application of Hal J. Rasmussen Operating, Inc. for pool reclassification and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order reclassifying the Wilson Yates-Seven Rivers Pool, located in Township 21 South, Ranges 34 and 35 East, as an associated pool to be governed by the General Rules and Regulations for Associated Pools in Southeast New Mexico, as promulgated by Division Order No. R-5353, as amended. Applicant further seeks special provisions to provide for 160-acre gas and 40-acre oil proration units, a special gas/oil ratio limitation of 10,000 cubic feet of gas per barrel of oil, and any other provisions which may be applicable in this instance. Said pool is located approximately 15 miles west of Eunice, New Mexico.

CASE 10422: (Continued from December 19, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the SE/4 of Section 8, Township 19 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard location in the NW/4 SE/4 (Unit J) 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 unit is located approximately 8.5 miles southwest of Dayton, New Mexico.

CASE 10428: (Readvertised)

Application of ENRON Oil & Gas Company for designation of a tight formation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Morrow formation underlying portions of Township 25 South, Ranges 33 and 34 East, containing 17,280 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area is located approximately 19 miles west northwest of Jal, New Mexico.

CASE 10435: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- a. CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Cedar Canyon-Bone Spring Pool. The discovery well is the Vision Energy, H.B. 3 Federal Well No. 1 located in Unit J of Section 3, Township 24 South, Range 29 East, NMPM.

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 3: SE/4

In addition, a discovery allowable of 39,315 barrels of oil is hereby assigned to said discovery well to be produced over a period of 2 years.

- b. CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Upper Pennsylvanian production and designated as the North Santo Nino-Upper Pennsylvanian Pool. The discovery well is the Myco Ind., Inc. East Turkey Track Fed. Com Well No. 1 located in Unit K of Section 23, Township 18 South, Range 29 East, NMPM.

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 23: SW/4

- c. CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Tansill Dam-Atoka Gas Pool. The discovery well is the Bird Creek Resources Inc. Jarvis Mead Com. Well No. 1 located in Unit N of Section 5, Township 22 South, Range 27 East, NMPM.

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 5: W/2

- d. EXTEND the Burton-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM

Section 17: SW/4

- e. EXTEND the Crozier Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 14: E/2

Section 23: N/2

Section 26: N/2

- f. EXTEND the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM

Section 35: W/2

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 21: NE/4

- g. EXTEND the Livingston Ridge-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM

Section 14: SE/4