

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 18, 1993
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

Dockets Nos. 7-93 and 8-93 are tentatively set for March 4, 1993 and March 18, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

CASE 10635: (Readvertised)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from a depth 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the following described areas in Section 15, Township 18 South, Range 28 East, and in the following manner: the E/2 forming 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 (which presently includes but is not necessarily limited to the Undesignated Palmito Draw-Atoka Gas Pool, Undesignated South Empire-Morrow Gas Pool, Undesignated North Illinois Camp-Morrow Gas Pool, and Undesignated North Turkey Track-Morrow Gas Pool); the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the W/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent (which presently includes only the Undesignated Travis-Upper Pennsylvanian Pool); and the NW/4 SE/4 forming a standard 40-acre oil 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 a single well to be drilled at an unorthodox location 1500 feet from the South line and 1980 feet from the East line (Unit J) of said Section 15. 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 area is located approximately 9 miles east-southeast of Artesia, New Mexico.

CASE 10651: (Continued from February 4, 1993, Examiner Hearing.)

Application of Pogo Producing Company for directional drilling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Mobil Federal Well No. 3 from a surface location 480 feet from the North line and 660 feet from the East line (Unit A) of Section 29, Township 23 South, Range 31 East, in such a manner as to bottom the well in the Brushy Canyon formation of the Delaware Mountain Group, at a standard location approximately 578 feet from the North line and 1870 feet from the East line (Unit B) of said Section 29. Further, applicant seeks approval for an unorthodox location in the Cherry Canyon formation of the Delaware Mountain Group, with the directional wellbore entering the Cherry Canyon formation at an unorthodox location 540 feet from the North line and 1405 feet from the East line, and exiting the Cherry Canyon formation at an orthodox location 571 feet from the North line and 1789 feet from the East line of said Section 29. The NW/4 NE/4 of said Section 29 will be dedicated to the well to form a standard 40-acre spacing and proration unit for said formations. This well is located approximately 9 miles east-southeast of the intersection of Highways 31 and 128.

CASE 10652: (Continued from February 4, 1993, Examiner Hearing.)

Application of Pogo Producing Company for directional drilling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Mobil Federal Well No. 8 from a surface location 330 feet from the South line and 1380 feet from the East line (Unit O) of Section 29, Township 23 South, Range 31 East, in such a manner as to bottom the well in the Brushy Canyon formation of the Delaware Mountain Group, at a standard location approximately 413 feet from the South line and 1897 feet from the East line (Unit O) of said Section 29. Applicant also seeks approval for unorthodox locations in the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group pursuant to the following proposed drilling programs: the directional wellbore will enter the Bell Canyon formation at an unorthodox location approximately 330 feet from the South line and 1381 feet from the East line, and exit the Bell Canyon formation at an unorthodox location approximately 353 feet from the South line and 1526 feet from the East line of said Section 29. The directional wellbore will enter the Cherry Canyon formation at an unorthodox location approximately 353 feet from the South line and 1526 feet from the East line, and exit the Cherry Canyon formation at an orthodox location approximately 402 feet from the South line and 1829 feet from the East line of said Section 29. The SW/4 SE/4 of said Section 29 will be dedicated to the well to form a standard 40-acre spacing and proration unit for said formations. This well is located approximately 9 miles east-southeast of the intersection of Highways 31 and 128.

CASE 10666: Application of Santa Fe Energy Operating Partners, L. P. 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, at approximately 8,200 feet, underlying the following described acreage in Section 18, Township 20 South, Range 27 East, and in the following described manner: the E/2 to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the N/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent; and the NE/4 SE/4 to form a standard 40-acre oil 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 a well to be drilled at an orthodox location 1980 feet from the South line and 660 feet from the East line of Section 18. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 4 miles north of Avalon Reservoir.

CASE 10667: Application of Marathon Oil Company for establishment of a temporary testing allowable, Vacuum-Drinkard Pool, Lea County, New Mexico. Applicant seeks an order establishing a special testing allowable for its Warn State a/c 2 Lease Project, comprising the W/2 of Section 6, Township 18 South, Range 35 East, NMPM, Vacuum-Drinkard Pool, for a maximum period of six months at a maximum rate equal to the capacity of each well within the project to produce oil from said pool. This project is located approximately 11 miles east of Buckeye, New Mexico.

CASE 10659: (Continued from January 21, 1993, Examiner Hearing.)

Application of Meridian Oil Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant seeks approval to establish a non-standard 160-acre gas spacing and proration unit in the Undesignated Rhodes Yates-Seven Rivers Gas Pool comprising the E/2 E/2 of Section 7, Township 26 South, Range 37 East, being approximately 4 miles south of Jal, New Mexico. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NE/4 NE/4 (Unit A) of said Section 7.

CASE 10556: (Reopened)

In the matter of Case 10556 being reopened pursuant to the provisions of Division Order No. R-9759, which order promulgated special pool rules and regulations for the Old Millman Ranch-Bone Spring Pool in Eddy County. Operators in said pool may appear and present evidence about the nature of the reservoir with regards to the proper classification of the pool as either oil or gas.

CASE 10560: (Continued from January 21, 1993, Examiner Hearing.)

Application of Conoco Inc. 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 NE/4 of Section 17, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw-Pennsylvanian Pool. Said unit is to be dedicated to the existing Southwest Royalties, Inc. Dagger Draw Well No. 1 located at a standard location 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 17, said unit and well were the subject of Division Case No. 10471. 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 6.5 miles northwest of Seven Rivers, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 21, 1993

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

Dockets Nos. 4-93 and 5-93 are tentatively set for February 4, 1993 and February 18, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

CASE 10650: (Continued from January 7, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval for an unorthodox gas well location, in the Cedar Lake-Morrow Gas Pool, 990 feet from the North and East lines (Unit A) of Section 2, Township 18 South, Range 30 East. The E/2 of said Section 2 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 3 miles southeast of Loco Hills, New Mexico.

CASE 10635: (Continued from January 7, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described areas in Section 15, Township 18 South, Range 28 East, and in the following manner: the E/2 forming 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, the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, the W/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, the NW/4 SE/4 forming a standard 40-acre oil 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 a single well to be drilled at an unorthodox location 1500 feet from the South line and 1980 feet from the East line (Unit J) of said Section 15. 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 area is located approximately 9 miles east-southeast of Artesia, New Mexico.

CASE 10658: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the following described areas in Section 35, Township 17 South, Range 27 East, and in the following manner: the W/2 forming 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; the NW/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the E/2 NW/4 forming 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. Said unit is to be dedicated to the applicant's Chalk Bluff "35" Federal Well No. 2, to be drilled at an unorthodox location within said W/2 proration unit. 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6 miles southeast of Artesia, New Mexico.

CASE 10629: (Readvertised)

Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling and an unorthodox gas 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 areas in Section 27, Township 21 South, Range 24 East, and in the following manner: the entire section forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, which presently includes only the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and the Undesignated Indian Basin-Morrow Gas Pool; the W/2 forming 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; the SW/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and, if applicable, the W/2 SW/4 forming an 80-acre oil spacing and proration unit for any pools which may be developed on 80-acre spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled at an unorthodox well location 204 feet from the South line and 660 feet from the West line (Unit M) of said Section 27. 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 area is located approximately 15 miles west by north of Carlsbad, New Mexico.

CASE 10574: (Continued from January 7, 1993, 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, at approximately 8,200 feet, underlying the following described acreage in Section 14, Township 20 South, Range 24 East, and in the following described manner: the N/2 to form a single standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the South Dagger Draw-Upper Pennsylvanian Associated Pool); the NE/4 and NW/4 to form two standard 160-acre gas spacing and proration units for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NW/4 NE/4 and SW/4 NW/4 to form two standard 40-acre oil spacing and proration units for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. The proposed 320-acre unit is to be dedicated to either a single well to be drilled at a standard location in Unit B or Unit E or to both wells to be simultaneously dedicated to the 320-acre unit. Further the 160-acre gas unit comprising the NE/4 and the 40-acre oil unit comprising the NW/4 NE/4 are to be dedicated to the proposed well to be drilled in Unit B. The 160-acre gas unit comprising the NW/4 and the 40-acre oil unit comprising the SW/4 NW/4 are to be dedicated to the proposed well to be drilled in Unit E. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 7.5 miles west by south of Seven Rivers, New Mexico.

CASE 10655: (Continued from January 7, 1993, Examiner Hearing.)

Application of Meridian Oil Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the S/2 of Section 36, Township 21 South, Range 36 East, to be dedicated to its proposed Shell State Com "D" Well No. 13 to be drilled at a previously approved unorthodox gas well location 1780 feet from the South line and 760 feet from the West line (Unit L) of said Section 36 and dedicated to a previously approved non-standard 320-acre gas spacing and proration unit consisting of the S/2 of said Section 36 and to simultaneously dedicate production with the Shell State Com "D" Well No. 12. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles west of Eunice, New Mexico.

CASE 10659: **Application of Meridian Oil Inc. for a non-standard gas proration unit, Lea County, New Mexico.** Applicant seeks approval to establish a non-standard 160-acre gas spacing and proration unit in the Undesignated Rhodes Yates-Seven Rivers Gas Pool comprising the E/2 E/2 of Section 7, Township 26 South, Range 37 East, being approximately 4 miles south of Jal, New Mexico. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NE/4 NE/4 (Unit A) of said Section 7.

CASE 10560: (Continued from December 3, 1992, Examiner Hearing.)

Application of Conoco Inc. 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 NE/4 of Section 17, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw-Pennsylvanian Pool. Said unit is to be dedicated to the existing Southwest Royalties, Inc. Dagger Draw Well No. 1 located at a standard location 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 17, said unit and well were the subject of Division Case No. 10471. 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 6.5 miles northwest of Seven Rivers, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 7, 1993
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

Dockets Nos. 3-93 and 4-93 are tentatively set for January 21, 1993 and February 4, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

CASE 10649: Application of H. L. Brown, Jr., for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the North Feather State Unit Agreement for an area comprising 640 acres, more or less, of state lands in all or portions of Sections 9 and 16 of Township 15 South, Range 32 East. Said unit is located 4 miles west of the intersection of Highways 31 and 172.

CASE 10650: Application of Mewbourne Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval for an unorthodox gas well location, in the Cedar Lake-Morrow Gas Pool, 990 feet from the North and East lines (Unit A) of Section 2, Township 18 South, Range 30 East. The E/2 of said Section 2 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 3 miles southeast of Loco Hills, New Mexico.

CASE 10635: (Continued from December 17, 1992, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described areas in Section 15, Township 18 South, Range 28 East, and in the following manner: the E/2 forming 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, the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, the W/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, the NW/4 SE/4 forming a standard 40-acre oil 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 a single well to be drilled at an unorthodox location 1500 feet from the South line and 1980 feet from the East line (Unit J) of said Section 15. 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 area is located approximately 9 miles east-southeast of Artesia, New Mexico.

CASE 10636: (Continued from December 17, 1992, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the following described areas in Section 27, Township 17 South, Range 28 East, and in the following manner: the E/2 forming 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, the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, the E/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, the NE/4 SE/4 forming a standard 40-acre oil 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 a single well to be drilled at an unorthodox location 1756 feet from the South line and 660 feet from the East line (Unit I) of said Section 27. 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 area is located approximately 7 miles east-southeast of Riverside, New Mexico.

CASE 10651: Application of Pogo Producing Company for directional drilling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Mobil Federal Well No. 3 from a surface location 480 feet from the North line and 660 feet from the East line (Unit A) of Section 29, Township 23 South, Range 31 East, in such a manner as to bottom the well in the Brushy Canyon formation of the Delaware Mountain Group, at a standard location approximately 578 feet from the North line and 1870 feet from the East line (Unit B) of said Section 29. Further, applicant seeks approval for an unorthodox location in the Cherry Canyon formation of the Delaware Mountain Group, with the directional wellbore entering the Cherry Canyon formation at an unorthodox location 540 feet from the North line and 1405 feet from the East line, and exiting the Cherry Canyon formation at an orthodox location 571 feet from the North line and 1789 feet from the East line of said Section 29. The NW/4 NE/4 of said Section 29 will be dedicated to the well to form a standard 40-acre spacing and proration unit for said formations. This well is located approximately 9 miles east-southeast of the intersection of Highways 31 and 128.

CASE 10652: Application of Pogo Producing Company for directional drilling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Mobil Federal Well No. 8 from a surface location 330 feet from the South line and 1380 feet from the East line (Unit O) of Section 29, Township 23 South, Range 31 East, in such a manner as to bottom the well in the Brushy Canyon formation of the Delaware Mountain Group, at a standard location approximately 413 feet from the South line and 1897 feet from the East line (Unit O) of said Section 29. Applicant also seeks approval for an unorthodox location in the Bell Canyon formation of the Delaware Mountain Group, with the directional wellbore entering the Bell Canyon formation at an unorthodox location 330 feet from the South line and 1381 feet from the East line, and exiting the Bell Canyon formation at an unorthodox location 353 feet from the South line and 1526 feet from the East line of said Section 29. Further, applicant seeks approval for an unorthodox location in the Cherry Canyon formation of the Delaware Mountain Group at an unorthodox location 353 feet from the South line and 1526 feet from the East line, and exiting the Cherry Canyon formation at an orthodox location 402 feet from the South line and 1829 feet from the East line of said Section 29. The SW/4 SW/4 of said Section 29 will be dedicated to the well to form a standard 40-acre spacing and proration unit for said formations. This well is located approximately 9 miles east-southeast of the intersection of Highways 31 and 128.

CASE 10653: Application of Armstrong Energy Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the Northeast Lea-Delaware Pool including a provision for a special oil allowable of 300 barrels of oil per day. Said pool is located in portions of Townships 19 and 20 South, Range 34 East, located near the Warren Gas Company Compressor Station.

CASE 10646: (Continued from December 17, 1992, Examiner Hearing.)

Application of Enron Oil & Gas Company for directional drilling, or in the alternative, for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Pure Gold "B" Federal Well No. 2 from a surface location in Unit O of Section 17, Township 23 South, Range 31 East to a bottomhole location in the Atoka formation, Undesignated West Sand Dunes-Atoka Gas Pool and in the Morrow formation, Undesignated West Sand Dunes-Morrow Gas Pool at a standard location within 50 feet of a point 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 20, Township 23 South, Range 31 East. IN THE ALTERNATIVE, applicant seeks approval for an unorthodox gas well location 660 feet from the North line and 1700 feet from the East line (Unit B) of Section 20, Township 23 South, Range 31 East, in said Atoka and Morrow pools. The N/2 of said Section 20 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 7 miles east of Loving, New Mexico.

CASE 10647: (Continued from December 17, 1992, Examiner Hearing.)

Application of Seely Oil Company for statutory unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the EK-Yates-Seven Rivers-Queen Pool, underlying 1148.40 acres, more or less, of State land comprising portions of Township 18 South, Ranges 33 and 34 East, to be designated the Central EK Queen Unit Area. To be considered will be those matters required by the New Mexico Statutory Unitization Act, Subsection 70-7-1, et seq., N.M.S.A. 1978, and other provisions of the unit agreement and unit operating agreement. Said unit area is located approximately 22 miles west of Hobbs, New Mexico.

CASE 10648: (Continued from December 17, 1992, Examiner Hearing.)

Application of Seely Oil Company for approval of a waterflood project and qualification for the recovered oil tax rate, Lea County, New Mexico. Applicant seeks authority to institute a waterflood project by injection of water into the Yates, Seven Rivers and Queen formations in its proposed EK Queen Unit Area (Division Case No. 10647) underlying portions of Township 18 South, Ranges 33 and 34 East. The applicant further seeks to qualify this project for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is centered approximately 22 miles west of Hobbs, New Mexico.

CASE 10643: (Readvertised)

Application of Yates Petroleum Corporation for directional drilling and an unorthodox bottomhole gas well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Amaranth "AMG" Federal Com. Well No. 1 from a surface location 1310 feet from the North line and 2630 feet from the East line (Unit B) of Section 12, Township 20 South, Range 30 East, in such a manner as to bottom the well in the Pennsylvania formation at an unorthodox subsurface gas well location within 50 feet of a point 2449 feet from the North line and 1512 feet from the West line (Unit F) of said Section 12, the W/2 of said Section 12 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said formation. This well is located approximately 21 miles northeast of Carlsbad, New Mexico.

CASE 10598: (Readvertised)

Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval for an unorthodox gas well location, in both the Undesignated Frontier Hills-Strawn Gas Pool and South Carlsbad-Morrow Gas Pool, 660 feet from the North and West lines (Unit D) of Section 28, Township 23 South, Range 26 East. The N/2 of said Section 28 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for both pools. Said unit is located approximately 5 miles south-southwest of the Cavern City Airport in Carlsbad.

CASE 10629: (Continued from December 3, 1992, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling and an unorthodox gas well location, 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 Morrow formation underlying the following described areas in Section 27, Township 21 South, Range 24 East, and in the following manner: the entire section forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, which presently includes only the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and the Undesignated Indian Basin-Morrow Gas Pool, and the W/2 forming 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. Said units are to be dedicated to a single well to be drilled at an unorthodox gas well location 500 feet from the South line and 660 feet from the West line (Unit M) of said Section 27. 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 area is located approximately 15 miles west by north of Carlsbad, New Mexico.

CASE 10635: Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described areas in Section 15, Township 18 South, Range 28 East, and in the following manner: the E/2 forming 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, the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, the W/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, the NW/4 SE/4 forming a standard 40-acre oil 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 a single well to be drilled at an unorthodox location 1500 feet from the South line and 1980 feet from the East line (Unit J) of said Section 15. 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 area is located approximately 9 miles east-southeast of Artesia, New Mexico.

CASE 10636: Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the following described areas in Section 27, Township 17 South, Range 28 East, and in the following manner: the E/2 forming 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, the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, the E/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, the NE/4 SE/4 forming a standard 40-acre oil 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 a single well to be drilled at an unorthodox location 1756 feet from the South line and 660 feet from the East line (Unit I) of said Section 27. 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 area is located approximately 7 miles east-southeast of Riverside, New Mexico.

CASE 10637: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the E/2 of Section 35, Township 17 South, Range 27 East, forming a standard 320-acre, more or less, gas spacing and proration unit for said pool. Said unit is to be dedicated to the applicant's Chalk Bluff "35" Federal Well No. 1 to be drilled at an orthodox location within said E/2 proration unit. 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6 miles southeast of Artesia, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 17, 1992
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

Dockets Nos. 1-93 and 2-93 are tentatively set for January 7, 1993 and January 21, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

CASE 10630: Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the E/2 of Section 22, Township 25 North, Range 13 West, forming a standard 320.00-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 22. 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles south of Jeffers Lake.

CASE 10631: Application of Meridian Oil Inc. for unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks an approval to drill a replacement coal gas well in the Basin Fruitland Coal Gas Pool at an unorthodox NW/4 location 2330 feet from the North line and 790 feet from the West line (Unit E) of Section 35, Township 31 North, Range 9 West. The W/2 equivalent of said Section 35 is to be dedicated to said well forming a standard 314.25-acre, more or less, gas spacing and proration unit for said pool. Said unit is located approximately 7 miles southeast of Cedar Hill.

CASE 10632: Application of Meridian Oil Inc. for compulsory pooling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks an order pooling certain working, royalty and overriding royalty interests in the Basin-Fruitland Coal Gas Pool underlying the E/2 of Section 17, Township 30 North, Range 8 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at an unorthodox SE/4 gas well location 2270 feet from the South line and 640 feet from the East line (Unit D) of said Section 17. 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 west of the Navajo Lake State Park Airport.

CASE 10633: Application of Conoco Inc. for unorthodox oil well location, North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico. Applicant seeks an order approving the drilling of a well in the North Dagger Draw-Upper Pennsylvanian Pool at an unorthodox location 1980 feet from the North line and 1530 feet from the West line (Unit F) of Section 18, Township 19 South, Range 25 East. The NW/4 of said Section 18 is to be dedicated to said well forming a standard 160.00-acre oil spacing and proration unit for said pool. Said unit is located approximately 1 3/4 miles southwest of the Port of Entry on U.S. 62/180.

CASE 10100: (Continued from December 3, 1992, Examiner Hearing.)

In the matter of Case 10100 being reopened pursuant to the provisions of Division Order No. R-9390, which order promulgated special operating rules and regulations for the San Isidro (Shallow) Unit in Sandoval County. Operators in said unit may appear and show cause why the continuation of the foregoing special operating rules and regulations governing the Rio Puerco-Mancos Oil Pool within said Unit Area are consistent with sound engineering and conservation practices and show cause why such procedures should remain in effect.

CASE 10634: Application of Exxon Corporation for downhole commingling, an exception to Division Order No. R-8170, as amended, and a non-standard spacing and proration unit or in the alternative an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval to downhole commingle the Blinbry and Paddock formations in its J.L. Greenwood Well No. 9 located 1980 feet from the South line and 2080 feet from the East line of Section 9, Township 22 South, Range 37 East. Applicant further seeks an exception to Order No. R-8170, as amended, to allow said well to produce with an unrestricted allowable. Also, applicant seeks approval of a non-standard spacing and proration unit for said well comprising the E/2 SW/4 and W/2 SE/4 of said Section 9, or in the alternative a standard spacing and proration unit consisting of the SE/4 of said Section 9 with an unorthodox gas well location. Said well is located approximately 2 miles south of Eunice, New Mexico.

CASE 10617: (Readvertised)

Application of C. W. Trainer for designation of a tight formation, Chaves County, New Mexico. Applicant seeks the designation of the Mississippian formation underlying an area comprising 11,009.08 acres, more or less, of State (approximately 5.8%) and fee (approximately 94.2%) lands in Sections 35 and 36, Township 11 South, Range 28 East; Sections 21 through 23 and 26 through 35, Township 11 South, Range 29 East; Sections 1 and 2, Township 12 South, Range 29 East; and, Sections 2 through 6, Township 12 South, Range 29 East, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Sections 271.701-705. Said area is located approximately 29 miles east by south of Roswell, New Mexico.