

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 3, 1993
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 17-93 and 18-93 are tentatively set for June 17, 1993 and July 1, 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 10727: (Readvertised)

Application of Mobil Exploration & Producing U.S. Inc. for downhole commingling, Lea County, New Mexico. Applicant seeks approval to downhole commingle oil production from the South Shoe Bar-Upper Pennsylvanian Pool and South Shoe Bar-Wolfcamp Pool within the wellbores of five certain wells in the NE/4 and S/2 SE/4 of Section 1, Township 17 South, Range 35 East and in the S/2 NW/4 and N/2 SW/4 of Section 6, Township 17 South, Range 36 East. Said area is located approximately 6 miles southwest of Lovington, New Mexico.

CASE 10735: Application of Meridian Oil Inc. for downhole commingling and for an administrative downhole commingling procedure within the Huerfano Unit Area, San Juan County, New Mexico. Applicant seeks approval to commingle gas production from the Ballard-Pictured Cliffs Pool and the Basin-Fruitland Coal Gas Pool within the wellbores of its existing Huerfano Unit Well No. 46 located in the SW/4 (Unit K) and the W/2 of Section 23, Township 26 North, Range 9 West, and its Huerfano Unit Well No. 59 located in the NE/4 (Unit B) and the N/2 of Section 26, Township 26 North, Range 9 West, and from the West Kutz-Pictured Cliffs Pool and the Basin-Fruitland Coal Gas Pool within the wellbore to be drilled for the Huerfano Unit Well No. 549 to be located in the NE/4 (Unit A) and the E/2 of Section 33, Township 27 North, Range 10 West, with the identified 320-acre spacing and proration unit for the Basin-Fruitland Coal Gas Pool and the corresponding 160-acre spacing and proration unit for the Pictured Cliffs production to be dedicated to each said well as indicated above. In addition, the applicant seeks the adoption of an administrative procedure for authorizing the downhole commingling of Pictured Cliffs and Basin-Fruitland Coal Gas Pool production in the wellbores of existing and subsequently drilled wells within the Huerfano Unit area without hearing and without the requirement of notice to any offsetting operator and without the requirement that each interest owner in the Pictured Cliffs and Basin-Fruitland Coal Gas Pool Participating Areas be notified of such commingling. The Huerfano Unit is located in portions of Townships 25, 26 and 27 North, and Ranges 9, 10 and 11 West. The southern boundary of said unit is located approximately 15 miles northwest by north of Nageezi, New Mexico.

CASE 10734: (Continued from May 20, 1993, Examiner Hearing.)

Application of Pogo Producing Company for an unorthodox well location, Eddy County, New Mexico. Applicant seeks approval to drill its State V-492 Well No. 2 at one of two proposed locations: (a) 1,980 feet from the South line and 1,830 feet from the West line (Unit K) of Section 27; or (b) 1980 feet from the South line and 1360 feet from the West line (Unit L) of Section 27, in Township 24 South, Range 28 East. The S/2 of said Section 27 is to be dedicated to the well. Applicant further requests approval of the unorthodox location as to all prospective pools or formations including but not limited to the Wolfcamp, Strawn, Atoka and Morrow (Salt Draw-Atoka Gas Pool) spaced on 40, 160, or 320 acres. Said well is located approximately 2 miles south of Malaga, New Mexico.

CASE 10687: (Continued from May 20, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the following described areas in Section 17, 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; and 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. Said unit is to be dedicated to its Illinois Camp "17" State Well No. 2, to be drilled at a standard 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles north of Illinois Camp.

CASE 10688: (Continued from May 20, 1993, Examiner Hearing.)

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 31, Township 17 South, Range 28 East, and in the following manner: the S/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; and the SW/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 unit is to be dedicated to its Chalk Bluff "31" State Well No. 1, to be drilled at a standard location within said S/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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1 mile southwest of the Baylor Triangulation Station.

CASE 10736: Application of MW Petroleum Corporation/Apache Corporation for an unorthodox gas well location Eddy County, New Mexico. Applicant seeks approval to drill its Federal C Well No. 2 at an unorthodox gas well location 800 feet from the South and West lines of Section 35, Township 21 South, Range 23 East, to test the Indian Basin-Upper Pennsylvanian Gas Pool. Said well is located approximately 2 miles south of the Indian Basin Gas Plant.

CASE 10707: (Reopened) (Readvertised)

Application of Amoco Production Company for a CO2 injection pilot project and an exception to Rule 4, Order No. R-8768-A, San Juan County, New Mexico. Applicant seeks approval of a CO2 injection pilot project and authority for a second producing unit on a 320-acre spacing unit in the Basin-Fruitland Coal Gas Pool consisting of the N/2 of Section 23, Township 30 North, Range 9 West. This project is located approximately 2 miles west of Navajo Dam.

CASE 10732: (Continued from May 20, 1993, Examiner Hearing.)

Application of Condor Oil Corporation for eighteen unorthodox oil well locations, San Juan County, New Mexico. Applicant seeks approval for eighteen unorthodox oil well locations in the Northeast Hogback Unit, as follows:

SE/4 NE/4 of Section 10 - 2630 feet from the North line and 1310 feet from the East line;
 NW/4 SW/4 of Section 11 - 1340 feet from the South line and 10 feet from the West line;
 NW/4 SE/4 of Section 10 - 1340 feet from the South line and 1350 feet from the East line;
 NE/4 NE/4 of Section 10 - 1310 feet from the North line and 1310 feet from the East line;
 SW/4 NW/4 of Section 11 - 2630 feet from the North line and 50 feet from the West line;
 NE/4 NE/4 of Section 10 - 1310 feet from the North line and 10 feet from the East line;
 NW/4 NE/4 of Section 10 - 1310 feet from the North line and 2310 feet from the East line;
 NW/4 NE/4 of Section 10 - 330 feet from the North line and 2310 feet from the East line;
 NE/4 NE/4 of Section 10 - 330 feet from the North line and 1310 feet from the East line;
 NW/4 NW/4 of Section 14 - 10 feet from the North line and 1310 feet from the West line;
 NW/4 SW/4 of Section 11 - 1330 feet from the South line and 1310 feet from the West line;
 NE/4 NE/4 of Section 15 - 10 feet from the North line and 10 feet from the East line;
 SW/4 NE/4 of Section 10 - 2630 feet from the North line and 2310 feet from the East line;
 NW/4 SW/4 of Section 11 - 2630 feet from the South line and 1310 feet from the West line;
 SW/4 SE/4 of Section 10 - 1310 feet from the South line and 2010 feet from the East line;
 SW/4 NE/4 of Section 14 - 1500 feet from the North line and 2300 feet from the East line;
 SE/4 SW/4 of Section 11 - 1310 feet from the South line and 2310 feet from the West line;
 NE/4 NW/4 of Section 14 - 1310 feet from the North line and 1330 feet from the West line, all in Township 30 North, Range 16 West.

The above wells are infill wells within a secondary recovery unit which is centered approximately 3 miles northwest of Waterflow, New Mexico.

CASE 10731: (Readvertised)

Application of Nearburg Producing Company for an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks approval to drill its Dagger Draw "31" Federal Well No. 5 to the North Dagger Draw-Upper Pennsylvanian Pool at an unorthodox oil well location 330 feet from the North line and 2460 feet from the West line (Unit C) of Section 31, Township 19 South, Range 25 East. Said well is to be simultaneously dedicated to an existing 162.60-acre oil spacing and proration unit comprising Lots 1 and 2 and the E/2 NW/4 (NW/4 equivalent) of said Section 31, which is currently dedicated to the Dagger Draw "31" Federal Well Nos. 1 and 4 located in Units "D" and "E", respectively. Said unit is located approximately 9 miles west by south of Lakewood, New Mexico.

CASE 10556: (Continued from March 18, 1993, Examiner Hearing.)

Application of Chi Energy, Inc. for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules for the Old Millman Ranch-Bone Spring Pool including a provision for a limiting gas-oil ratio of 20,000 cubic feet of gas per barrel of oil. Said pool currently comprises portions of Sections 4, 5, and 8, Township 20 South, Range 28 East, being approximately 13.5 miles east of Seven Rivers, New Mexico.

CASE 10737: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NW/4 of Section 21, Township 19 South, Range 25 East. Said unit is to be dedicated to its Hooper "AMP" Well No. 2 to be drilled at a standard location in the NW/4 of said Section 21. 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 4 miles southwest of Seven Rivers, New Mexico.

CASE 10543: (Reopened)

Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Subsequent to Division Order No. R-9740, dated October 13, 1992, the applicant, Yates Petroleum Corporation, seeks to reopen this matter to present new evidence to support its original application for an unorthodox gas well location for its Irish Hills "KW" State Well No. 3, located 660 feet from the North and East lines (Unit A) of Section 2, Township 19 South, Range 24 East, to test all formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation which are spaced on 320-acre spacing. Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 2 are to be dedicated to said well forming a standard 321.08-acre gas spacing and proration unit. Further, the applicant seeks an exception to Division General Rule 104.C(2) to allow the N/2 equivalent of said Section 2 to be simultaneously dedicated in the Penasco Draw-Permo Pennsylvanian Gas Pool to the proposed well and to the existing Irish Hills "KW" State Well No. 2 located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 2. Said unit is located approximately 11.5 miles west by south of Seven Rivers, New Mexico.