

DOCKET: COMMISSION HEARING - THURSDAY - MARCH 10, 1994
9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO
The Land Commissioner's designee for this hearing will be Gary Carlson

CASE 10933: The Oil Conservation Division is calling a hearing on its own motion to accept nominations and other evidence and information to assist in determining April 1994 through September 1994 gas allowables for the prorated gas pools in New Mexico. Thirteen of the prorated gas pools are in Lea, Eddy, and Chaves Counties in Southeast New Mexico and four pools are in San Juan, Rio Arriba and Sandoval Counties in Northwest New Mexico. Commission Order No. R-8170-H dated December 1990 provides for allowables to be established for 6-month allocation periods beginning in April and October of each year. Preliminary allowable estimates for the April-September period are being distributed with OCD Memorandum dated February 18, 1994.

CASE 10907: (Continued from February 10, 1994, Commission Hearing.)

In the matter of the hearing called by the Oil Conservation Division to amend Rules 1111, 1112, and 1115 of its General Rules and Regulations. The Oil Conservation Division seeks to amend its General Rules and Regulations to provide for the filing of Forms C-111, C-112, and C-115, respectively, on the last business day of the month following the month of production and to provide for the imposition of penalties for failure to file timely and accurate reports.

CASE 10345: (De Novo - Continued from January 13, 1994, Commission Hearing.)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #390 to determine the reasonableness of such costs pursuant to the provisions of Commission Order No. R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

CASE 10346: (De Novo - Continued from January 13, 1994, Commission Hearing.)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #391 to determine the reasonableness of such costs pursuant to the provisions of Commission Order No. R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

CASE 10887: (De Novo - Continued from February 10, 1994, Commission Hearing.)

Application of Kaiser-Francis Oil Company for directional drilling, Eddy County, New Mexico. Applicant seeks to test and develop the Undesignated Los Medanos-Delaware and/or Undesignated West Sand Dunes-Delaware Pools underlying the NE/4 of Section 20 and the W/2 NE/4 and NW/4 of Section 21, Township 23 South, Range 31 East, by drilling directional into the ten 40-acre standard oil well spacing and proration units comprising said area from ten various surface locations around its periphery in Sections 16, 17, 20 and 21. Said area is located approximately 5.5 miles northwest of the Lea/Eddy County line on State Highway No. 128. Upon application of Santa Fe Energy Operating Partners, L.P., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10871: (De Novo)

Application of Santa Fe Energy Partners, L.P. for compulsory pooling and to shut-in a producing well, and for a non-standard spacing and proration unit, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 10, Township 20 South, Range 24 East, forming 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, including the South Dagger Draw-Upper Pennsylvanian Associated Pool. Said unit is to be dedicated to a well to be drilled at an orthodox 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. Applicant also requests that the existing Yates Petroleum Corporation Judith "AU" Fed. Well No. 1, located 660 feet from the South and East lines of Section 9, Township 20 South, Range 24 East, be shut-in pending the drilling and completion of applicant's proposed well. Further, applicant requests approval for a non-standard spacing and proration unit in the South Dagger Draw-Upper Pennsylvanian Associated Pool for the proposed Ocotillo "ACI" Fed. Com Well No. 2 to be located at a standard location in the SE/4 of Section 10, Township 20 South, Range 24 East. Said area is located approximately 2 miles west of Seven Rivers, New Mexico. Upon application of Santa Fe Operating Partners, L.P., this case will be heard De Novo pursuant to the provisions of Rule 1220.

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION**

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10933

IN THE MATTER OF THE OIL CONSERVATION
DIVISION CALLING A HEARING ON ITS
OWN MOTION TO ACCEPT NOMINATIONS AND
OTHER EVIDENCE AND INFORMATION TO
ASSIST IN DETERMINING APRIL 1994
THROUGH SEPTEMBER 1994 GAS
ALLOWABLES FOR THE PRORATED
GAS POOLS IN NEW MEXICO.

MAR 4 1994

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A., as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Oil Conservation Division _____

name, address, phone and
contact person

ATTORNEY

Robert G. Stovall, Esq. _____
New Mexico Department of Energy
Minerals & Natural Resources
State Land Office Building
Santa Fe, New Mexico 87504 _____
(505) 827-5806

OTHER PARTY

ATTORNEY

Chevron U.S.A. Inc. _____
Attn: Reed Gilmore, Esq. _____
Post Office Box 1150 _____
Midland, Texas 79702 _____
(915) 687-7246 _____

name, address, phone and
contact person

William F. Carr, Esq. _____
Campbell, Carr, Berge & Sheridan, P.A.
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____
(505) 988-4421 _____

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

Chevron will present testimony in support of increases in allowable for the Eumont Gas Pool and the Indian Basin-Upper Pennsylvanian Gas Pool.

PROPOSED EVIDENCE

APPLICANT

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

OTHER PARTY

WITNESSES
(Name and expertise)

EST. TIME

EXHIBITS

Al Bohling, Petroleum Engineer

15 Min.

Approximately 6

PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)


Signature

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

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LISA K. SMITH*
ROBERT H. BETHEA*
BRADLEY W. HOWARD
NORMAN D. EWART
DARRIN T. GROCE*
MOLLY MCINTOSH
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SCOTT A. SHUART*
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March 8, 1994

*NOT LICENSED IN NEW MEXICO

MAR 8 1994

HAND DELIVERED

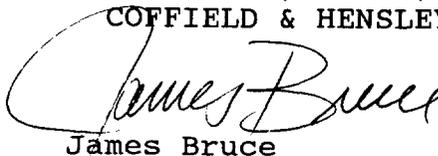
William J. LeMay
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Dear Mr. LeMay:

Enclosed are Pre-Hearing Statements, one submitted by Exxon Corporation in Case 10,933 (gas prorationing), and one submitted by Santa Fe Energy in Case 10,871.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


James Bruce

JB:jr
Enclosures

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION TO
ACCEPT NOMINATIONS FOR GAS ALLOWABLES CASE NO. 10,933
FOR PRORATED POOLS IN NEW MEXICO

PRE-HEARING STATEMENT

MAR 8 1991

This Application is submitted by Exxon Corporation as required
by the Oil Conservation Commission.

APPEARANCE OF PARTIES:

Applicant:

Exxon Corporation
Post Office Box 1600
Midland, Texas 79701
Attn: Donna Bauer

Attorney:

James Bruce
Hinkle, Cox, Eaton,
Coffield & Hensley
Post Office Box 2068
Santa Fe, NM 87504-2068
(505) 982-4554

Other Party:

Attorney:

STATEMENT OF CASE:

Exxon requests that the nominations for the Tubb Pool be
increased by approximately 34,000,000 mcf per month, and for the
Eumont Pool by approximately 243,000,000 cubic feet per month.

TESTIMONY:

Applicant:

WITNESS

Donna Bauer

ESTIMATED TIME

15 minutes

EXHIBITS



James Bruce
Hinkle, Cox, Eaton,
Coffield & Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504-2068

Attorneys for Exxon Corporation

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

NOR 9 1994

CASE NO. 10933

NOMINATIONS AND OTHER EVIDENCE AND
OTHER INFORMATION TO ASSIST IN
DETERMINING APRIL 1994 THROUGH
SEPTEMBER 1994 GAS ALLOWABLES FOR THE
PRORATED GAS POOLS IN NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by ORYX ENERGY
COMPANY as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

OTHER PARTY -

ATTORNEY

Oryx Energy Company
P. O. Box 2880
Dallas, Tx 75221-2880
attn: Rick Hall

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

ADDITIONAL PARTIES
Marathon Oil Company
Chevron USA Inc.

ATTORNEY
W. Thomas Kellahin
William F. Carr

STATEMENT OF CASE

OTHER PARTY

Oryx Energy Company joins Chevron, USA Inc. in requesting an increase above the NMOCD preliminary allowable schedule for the Indian Basin Upper Penn Gas Pool.

Oryx Energy Company requests that the current F1 factor of 6,500 MCFPD for a non-marginal GPU be extended for the next allowable period.

PROPOSED EVIDENCE

WITNESSES	EST. TIME	EXHIBITS
Rick Hall (P.E.)	15 Min.	est. 3

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 

W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
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NOMINATIONS AND OTHER EVIDENCE AND
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SEPTEMBER 1994 GAS ALLOWABLES FOR THE
PRORATED GAS POOLS IN NEW MEXICO

MAR 9 1994

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CONOCO INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

OTHER PARTY

Conoco Inc.
10 Desta Drive
Midland, Texas 79762
attn: Jerry Hoover
(915) 686-6548

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

ADDITIONAL PARTIES

Texaco Inc.

ATTORNEY

William F. Carr

STATEMENT OF CASE

OTHER PARTY

Conoco Inc. requests a continuation of the current non-marginal well allowable and therefore seeks an increase above the NMOCD preliminary allowable schedule for the Eumont Gas Pool.

Conoco seeks a pool adjustment of 246,214 MCFPM for a resulting F1 factor of not less than 952 MFCPD.

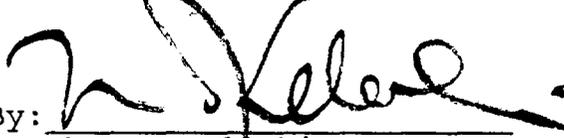
PROPOSED EVIDENCE

WITNESSES	EST. TIME	EXHIBITS
Damon Barrett (P.E.)	25 Min.	est. 13

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin
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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
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CASE NO. 10933

NOMINATIONS AND OTHER EVIDENCE AND
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DETERMINING APRIL 1994 THROUGH
SEPTEMBER 1994 GAS ALLOWABLES FOR THE
PRORATED GAS POOLS IN NEW MEXICO

MAR 9 1991

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by PHILLIPS
PETROLEUM COMPANY as required by the Oil Conservation
Division.

APPEARANCE OF PARTIES

OTHER PARTY

-ATTORNEY

Phillips Petroleum Company
5525 HWY 64 NBU 3004
Farmington, N.M. 87401
attn: Kirk Czirr

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

ADDITIONAL PARTIES

Meridian Oil Inc.
Amoco Production Company

ATTORNEY
W. Thomas Kellahin
William F. Carr

STATEMENT OF CASE

OTHER PARTY

Phillips Petroleum Company supports the adoption by the Commission of the following pool allowables for Northwest New Mexico Prorated Pools:

Basin-Dakota:	9,548,540
adjustment	100,000
Monthly allowable	9,648,540

PROPOSED EVIDENCE

WITNESSES	EST. TIME	EXHIBITS
Mike McGovern (P.E.)	15 Min.	est. 2

PROCEDURAL MATTERS

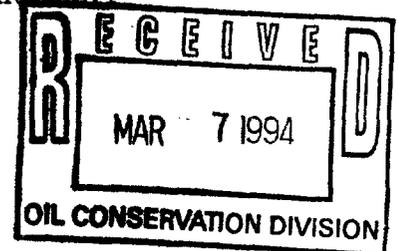
None applicable at this time.

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:



CASE NO. 10933

NOMINATIONS AND OTHER EVIDENCE AND
OTHER INFORMATION TO ASSIST IN
DETERMINING APRIL 1994 THROUGH
SEPTEMBER 1994 GAS ALLOWABLES FOR THE
PRORATED GAS POOLS IN NEW MEXICO

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by MARATHON OIL
COMPANY as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

OTHER PARTY

Marathon Oil Company
P. O. Box 552
Midland, Texas 79702
attn: Thomas C. Lowry, Esq.
(915) 687-8148

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

ADDITIONAL PARTIES

Chevron USA Inc.

ATTORNEY

William F. Carr

STATEMENT OF CASE

BLINEBRY OIL & GAS POOL

Marathon supports the preliminary NMOCD allowable schedule for the Blinebry Pool of 474,421 MCFPM resulting in an F1 factor of 45,448 MCFPM.

INDIAN BASIN UPPER PENN GAS POOL

Marathon supports Chevron, USA Inc. and Oryx Energy Company in requesting an adjustment in the NMOCD preliminary allowable schedule for the Indian Basin Upper Penn Gas Pool so that the current F1 factor of 6,500 MCFPD for a non-marginal GPU is extended for this next allowable period.

EUMONT GAS POOL

Marathon supports an increase in the NMOCD preliminary allowable schedule for the Eumont Gas Pool so that the F1 factor for non-marginal wells is not less than 952 MCFPD.

PROPOSED EVIDENCE

WITNESSES	EST. TIME	EXHIBITS
Rod Stewart (P.E.)	15 Min.	est. 4 (Blinebry)
	15 Min.	est. 4 (Eumont)

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin
P.O. Box 2265
Santa Fe, New Mexico 87504
(505) 982-4285

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 10933

NOMINATIONS AND OTHER EVIDENCE AND
OTHER INFORMATION TO ASSIST IN
DETERMINING APRIL 1994 THROUGH
SEPTEMBER 1994 GAS ALLOWABLES FOR THE
PRORATED GAS POOLS IN NEW MEXICO

MAR 7 1994

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by MERIDIAN OIL
INC. as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

OTHER PARTY

Meridian Oil Inc.
P. O. Box 4289
Farmington, N.M. 87499
attn: Alan Alexander

ATTORNEY

W. Thomas Kellahin
KELLAHIN AND KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

ADDITIONAL PARTIES

Amoco Production Company

ATTORNEY

William F. Carr.

STATEMENT OF CASE

OTHER PARTY

Meridian Oil Inc. supports the adoption by the Commission of the following pool allowables for Northwest New Mexico Prorated Pools:

Basin-Dakota:	9,548,540
adjustment	-0-
Monthly allowable	9,548,540
Blanco Mesaverde	16,495,592
adjustment	-0-
Monthly allowable	16,495,592

PROPOSED EVIDENCE

WITNESSES	EST. TIME	EXHIBITS
Jim Fraiser (P.E.)	20 Min.	est. 6

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN AND KELLAHIN

By: 
W. Thomas Kellahin
P.O. Box 2265
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(505) 982-4285