

CASE 10388: Application of Stevens Operating Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its McClellan Federal Well No. 6 to be drilled 660 feet from the North line and 330 feet from the West Line (Unit D) of Section 27, Township 13 South, Range 29 East, Undesignated South Lone Wolf-Devonian Pool, the NW/4 of said Section 27 to be dedicated to said well forming a standard 160-acre oil spacing and proration unit for said pool. Said unit is located approximately 18 miles east by north of Hagerman, New Mexico.

CASE 10375: (Continued from September 5, 1991, Examiner Hearing.)

Application of Union Oil Company of California D/B/A UNOCAL for high angle directional drilling pilot project, special operating rules therefor, unorthodox gas well location and simultaneous dedication, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a high angle directional drilling pilot project in an existing 160-acre gas spacing and proration unit in the South Blanco Pictured Cliffs Pool comprising the NE/4 of Section 20, Township 27 North, Range 6 West. The applicant proposes to utilize its existing Rincon Unit Well No. 254 located at an unorthodox surface gas well location 1419 feet from the North line and 794 feet from the East line (Unit H) of said Section 20 and penetrate the Pictured Cliffs formation with a 60 degree angled wellbore oriented in a westerly direction. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot offsetting provisions for said pool, pursuant to the Special Rules and Regulations for the South Blanco Pictured Cliffs Pool, as promulgated by Division Order No. R-8170, as amended. Further, the applicant proposes to simultaneously dedicate production from said well with production from the existing Rincon Unit Well No. 52 located at a standard gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of said Section 20, therefore any provisions adopted for said project area should contain provisions allowing for appropriate exceptions or amendments to the General Rules for the Prorated Gas Pools of New Mexico, as promulgated by said Order No. R-8170, as amended. Said unit is located approximately 10.5 miles southwest by south of Gobernador, New Mexico.

CASE 10252: (Continued from July 11, 1991, Examiner Hearing.)

Application of Amerada Hess Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its proposed North Monument Grayburg/San Andres Unit Area (Division Case No. 10253) located in portions of Townships 19 and 20 South, Ranges 36 and 37 East, by the injection of water into the Eunice Monument Grayburg-San Andres Pool through 108 certain wells to either be recompleted or converted from producing or abandoned wells to water injection wells. Said project area surrounds Monument, New Mexico.

CASE 10389: Application of Chi Operating Inc. for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying Lots 1 and 2, S/2 NW/4, SW/4 (W/2 equivalent) of Section 5, Township 8 South, Range 37 East, forming a 319.09-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently is applicable to only gas wells drilled in the Undesignated Bluit-San Andres Associated Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. 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 north of Bluit, New Mexico.

CASE 10363: (Continued from September 5, 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 in the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 25, Township 20 South, Range 24 East, 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 a standard location thereon. 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 well is located approximately 8 miles west-southwest of Seven Rivers, New Mexico.

CASE 9872: (Reopened)

In the matter of Case 9872 being reopened pursuant to the provisions of Division Order No. R-9463, which order, among other things, provided for the reopening of said Case 9872 in order that all operators in the Burton Flat-Morrow Gas Pool, Eddy County, New Mexico, may appear and present evidence relative to the permanent termination of gas prorationing for said Burton Flat-Morrow Gas Pool.

CASE 10390: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending certain pools in Chaves and Lea Counties, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Bootleg Ridge-Atoka Gas Pool. The discovery well is the Pogo Producing Company NBR Well No. 1 located in Unit J of Section 18, Township 22 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 18: E/2

- (b) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Abo production and designated as the Cedar Point-Abo Pool. The discovery well is the McClellan Oil Corporation McClellan A Fed. Well No. 2 located in Unit H of Section 27, Township 15 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 27: NE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Dos Amigos-Wolfcamp Pool. The discovery well is the Harvey E. Yates Company Buckeye 12 State Well No. 1 located in Unit F of Section 12, Township 18 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 12: NW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the East Gem-Bone Spring Pool. The discovery well is the Mitchell Energy Corporation Sapphire Federal Unit Well No. 1 located in Unit J of Section 23, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 23: SE/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East Gem-Delaware Pool. The discovery well is the Mitchell Energy Corporation Sapphire Federal Unit Well No. 2 located in Unit C of Section 23, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 23: NW/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the South Laguna Valley-Morrow Gas Pool. The discovery well is the BTA Oil Producers Aline 9012 JV-P Well No. 1 located in Unit G of Section 36, Township 20 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 36: N/2

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Northeast Livingston Ridge-Delaware Pool. The discovery well is the Yates Petroleum Corporation Rosemary AJB Federal Well No. 1 located in Unit L of Section 6, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 6: SW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the North Nonombre-Upper Pennsylvanian Pool. The discovery well is the Yates Petroleum Corporation Fort AIO Well No. 1 located in Unit P of Section 20, Township 13 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 20: SE/4

Dockets Nos. 7-90 and 8-90 are tentatively set for March 7, 1990 and March 21, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 21, 1990
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 9869:** 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 Morrow formation underlying the following described acreage in Section 14, Township 20 South, Range 24 East, and in the following manner: the N/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, (which includes but is not limited to the Undesignated Cemetery-Morrow Gas Pool, Undesignated North Cemetery-Wolfcamp Gas Pool, Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool, and Middle Seven Rivers-Upper Pennsylvanian Gas Pool); the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing; and the NE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on statewide 40-acre oil spacing. All of the above-described units are to be dedicated to a single well to be drilled at a standard location in the NE/4 NW/4 (Unit C) of said Section 14. 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 9.25 miles west by south of Seven Rivers, New Mexico.
- CASE 9870:** Application of Siete Oil & Gas Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Parkway-Bone Spring Pool including a provision for a limiting gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil. Said pool is located in Section 34, Township 19 South, Range 29 East and Sections 2 and 3, Township 20 South, Range 29 East, which is located approximately 5.5 miles north by west of the junction of U.S. Highway 62/180 and old New Mexico State Highway 31.
- CASE 9871:** Application of Meridian Oil, Inc. for an unorthodox coal gas well location and a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 411.44-acre non-standard gas spacing and proration unit comprising Lots 5 through 13 of Section 9 and Lots 5 through 7 of Section 10, all in Township 32 North, Range 7 West, Basin-Fruitland Coal (Gas) Pool. Said unit is to be dedicated to its Allison Unit Well No. 123 to be drilled at an unorthodox coal gas well location 1015 feet from the South line and 1850 feet from the East line (Unit O) of said Section 9, which is approximately 1/2 mile south of Mile Post No. 249 located on the New Mexico/Colorado Stateline.
- CASE 9863:** (Continued from February 7, 1990, Examiner Hearing.)
Application of Hixon Development Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 through 4 and the E/2 W/2 of Section 7, Township 25 North, Range 12 West, forming a standard 317.28-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said Section 7. 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 5 miles south-southwest of El Paso Natural Gas Company's Chaco Plant.
- CASE 9864:** (Continued from February 7, 1990, Examiner Hearing.)
Application of Hixon Development Company for compulsory pooling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the E/2 of Section 17, Township 25 North, Range 12 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its existing New Mexico Federal "B" Well No. 1 located at an unorthodox coal gas well location 660 feet from the North and East lines (Unit A) of said Section 17. Also to be considered will be the cost of re-entering, recompleting, equipping and operating 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 re-entering and recompleting said well. Said unit is located approximately 6 miles south by west of El Paso Natural Gas Company's Chaco Plant.
- CASE 9872:** Application of Oxy USA, Inc. for termination of gas prorationing in the Burton Flat-Morrow Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order terminating gas prorationing in the Burton Flat-Morrow Gas Pool encompassing portions of Townships 20 and 21 South, Ranges 26, 27, and 28 East, which is located in an area approximately 6 miles north of Carlsbad, New Mexico.
- CASE 9873:** Application of Tahoe Energy, Inc. for an unorthodox gas well location, non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to redesignate acreage in the Jalmat Gas Pool to form a non-standard 160-acre gas spacing and proration unit comprising the S/2 NW/4 and N/2 SW/4 of Section 12, Township 23 South, Range 36 East. Said unit is to be simultaneously dedicated to the existing King Gas Company "WN" Well No. 1 located at a standard gas well location 2310 feet from the South line and 990 feet from the West line (Unit L) of said Section 12 and to the proposed Cochise Well No. 1 to be drilled at an unorthodox gas well location 1980 feet from the North line and 1600 feet from the West line (Unit F) of said Section 12. Said unit is located approximately 14 miles north by west of Jal, New Mexico.

CASE 9874: Application of Hal J. Rasmussen Operating, Inc. for two unorthodox gas well locations and simultaneous dedication, and to amend, in part, Division Order No. R-9073 and Administrative Order NSL-2728, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to recomplete the following two unorthodox gas well locations to be included within the previously approved 640-acre non-standard Jalmat gas spacing and proration unit (Division Order No. R-9073, dated December 14, 1989) comprising the N/2 and SW/4 of Section 13, and NE/4 of Section 14, Township 23 South, Range 36 East:

State "A" A/C-1 Well No. 66
660 feet from the North and
West lines (Unit D); and,

State "A" A/C-1 Well No. 75
1980 feet from the North and
West lines (Unit F), both located
in said Section 13.

Applicant also seeks to amend Division Administrative Order NSL-2728, dated December 7, 1989 to reflect the proper dedicated acreage for the State "A" A/C-1 Well No. 71, located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of said Section 13, to the current aforementioned 640-acre non-standard gas proration unit. Also to be considered is an amendment to said Order No. R-9073 to authorize the simultaneous dedication of the 640-acre unit to the State "A" A/C-1 Well Nos. 20, 21, 22, 66, 71 and 75 located in Units C, H, M, D, M, and F, respectively, in said Section 13 and to the State "A" A/C-1 Well Nos. 13 and 77 located in Units H and B, respectively, of said Section 14. Said unit is located approximately 4 miles north-northwest of the Old El Paso Natural Gas Company Jal Plant No. 4.

CASE 9819: (Continued from February 7, 1990, Examiner Hearing.)

Application of Blackwood & Nichols Co., Ltd. for compulsory pooling and an unorthodox gas well location, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Fruitland formation underlying Lots 7 and 8, the S/2 NW/4, and the SW/4 of Section 4, Township 30 North, Range 7 West, in both San Juan and Rio Arriba Counties, forming a 319.38-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes the Basin-Fruitland Coal Gas Pool, to be dedicated to its Northeast Blanco Unit Well No. 424, to be drilled at an unorthodox coal gas well location 2075 feet from the North line and 1330 feet from the West line (Unit F) of said Section 4. 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 approximately 3.5 miles north-northeast of the Navajo Reservoir Dam.

CASE 9875: Application of Explorers 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 Bone Spring formation underlying the NW/4 SE/4 (Unit J) of Section 1, Township 18 South, Range 31 East, 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, which includes but is not limited to the Undesignated Maljamar Pool, Undesignated Shugart Pool, and Undesignated Tamano-Bone Spring Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. 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 5.5 miles south by west of New Mexico State Highway No. 529's intersection with the Lea/Eddy County line.

CASE 9876: Application of Explorers 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 Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 1, Township 18 South, Range 31 East, 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, which includes but is not limited to the Undesignated Maljamar Pool, Undesignated Shugart Pool, Undesignated Tamano-Bone Spring Pool, and Undesignated North Young-Bone Spring Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. 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 5.5 miles south by west of New Mexico State Highway No. 529's intersection with the Lea/Eddy County line.

CASE 9877: Application of Explorers 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 Bone Spring formation underlying the NE/4 SW/4 (Unit K) of Section 1, Township 18 South, Range 31 East, 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, which includes but is not limited to the Undesignated Maljamar Pool, Undesignated Shugart Pool, Undesignated Tamano-Bone Spring Pool, and Undesignated North Young-Bone Spring Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. 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 5.5 miles south by west of New Mexico State Highway No. 529's intersection with the Lea/Eddy County line.

CASE 9878: Application of Chevron USA Inc. for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the W/2 NE/4, SE/4 NE/4, and SE/4 NW/4 of Section 8, Township 20 South, Range 37 East, Jalmat Gas Pool. Said unit is to be simultaneously dedicated to the Bertie Whitmire Well Nos. 1 and 2 located at standard gas well locations 1980 feet from the North and East lines (Unit G) and 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 8, respectively. Said area is located approximately 2.25 miles south of Monument, New Mexico.