

Dockets Nos. 34-90 and 35-90 are tentatively set for November 28, 1990 and December 19, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 14, 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 David R. Catanach, Examiner, or Michael E. Stogner or Jim Morrow, Alternate Examiners:

- ALLOWABLE: (1) Consideration of the allowable production of gas for December, 1990, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for December, 1990, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 10134: (Continued from October 31, 1990, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Red Hat State Unit Agreement for an area comprising 1981.32 acres, more or less, of State lands in all or portions of Sections 2, 3, and 11, Township 16 South, Range 33 East, which is located approximately 10 miles northeast of Maljamar, New Mexico.

CASE 10135: (Continued from October 31, 1990, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Hourglass State Unit Agreement for an area comprising 560 acres, more or less, of State lands in portions of Sections 9, 10, 15, and 16, Township 18 South, Range 35 East, which is located approximately 4.5 miles southeast of Buckeye, New Mexico.

CASE 10123: (Readvertised)

Application of Mesa Operating Limited Partnership 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 the E/2 of Section 36, Township 30 North, Range 11 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to its FC State Com Well No. 31 to be drilled at a standard coal gas well location in the NE/4 of said Section 36. 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 the drilling of said well. Said unit is located approximately 5 miles southeast by south of Aztec, New Mexico.

CASE 10144: Application of Mewbourne Oil Company 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 S/2 of Section 1, Township 18 South, Range 27 East, 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 Scoggin Draw-Strawn Gas Pool, Undesignated Scoggin Draw-Atoka Gas Pool, Undesignated North Illinois Camp-Morrow Gas Pool, Undesignated Scoggin Draw-Morrow Gas Pool, and Undesignated Empire-Pennsylvanian Gas Pool, said unit 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 the drilling of said well. Said unit is located approximately 5.5 miles southeast of Riverside, New Mexico.

CASE 10145: Application of Yates Petroleum Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Avalon-Delaware Pool including a provision for a gas-oil ratio limitation of 7,500 cubic feet of gas per barrel of oil. Said pool is located in all or portions of Sections 25 and 36, Township 20 South, Range 27 East and Sections 19, 28, 29, 30, 31 and 32, Township 20 South, Range 28 East, which is located approximately 8 miles north of Carlsbad, New Mexico.

CASE 10130: (Continued from October 31, 1990, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Spanish Dagger "AID" Com Well No. 1 to be drilled 660 feet from the South line and 725 feet from the West line (Unit M) of Section 12, Township 20 South, Range 24 East, to test the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool, the S/2 of said Section 12 to be dedicated to said well forming a standard 320-acre oil spacing and proration unit for said pool. Said unit is located approximately 7 miles west by south of Seven Rivers, New Mexico.

CASE 10131: (Continued from October 31, 1990, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its John "AGU" Well No. 2 to be drilled 660 feet from the North and East lines (Unit A) of Section 14, Township 20 South, Range 24 East, South Dagger Draw- Upper Pennsylvanian Associated Pool, said well to be simultaneously dedicated, with its John "AGU" Well No. 1 located at a standard oil well location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 14, to the existing 320-acre standard oil proration unit comprising the N/2 of said Section 14. Said unit is located approximately 8 miles west by south of Seven Rivers, New Mexico.

CASE 10132: (Continued from October 31, 1990, Examiner Hearing.)

Application of Yates Petroleum Corporation for an exception to Division General Rule 303.A., Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 303.A. whereby perforated intervals in both the Wolfcamp formation and the South Dagger Draw-Upper Pennsylvanian Associated Pool would be allowed to remain in communication in the wellbore of its Hillview AHE Com Well No. 3 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 23, Township 20 South, Range 24 East, being located approximately 8.5 miles west-southwest of Seven Rivers, New Mexico. FURTHERMORE, the applicant at the time of the hearing shall be prepared to show cause why the Wolfcamp interval in said well should not be properly plugged off and abandoned.

CASE 10137: (Continued from October 31, 1990, Examiner Hearing.)

Application of C. W. Trainer for directional drilling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill from its existing Harris Federal Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5, Township 22 South, Range 34 East, in such a manner as to bottom the well in the Undesignated Grama Ridge-Morrow Gas Pool at a target point that is no closer to the South and East lines (Unit P) of said Section 5 than 330 feet, which is an unorthodox gas well location for said pool. Lots 1 and 2, S/2 NE/4, and SE/4 (E/2 equivalent) of said Section 5 is to be dedicated to said well forming a 321.58-acre gas spacing and proration unit for said pool. Said unit is located approximately 19 miles west by south of Eunice, New Mexico.

CASE 10146: Application of Giant Exploration & Production 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 and 2, the S/2 NE/4, and the SE/4 (E/2 equivalent) of Section 5, Township 25 North, Range 12 West, forming a standard 319.92-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 equivalent of said Section 5. 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 the drilling of said well. Said unit is located approximately 7.75 miles west by south of the B.I.A. Huerfano Community School.

CASE 10147: Application of Giant Exploration & Production 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 the W/2 of Section 15, Township 25 North, Range 12 West, forming a standard 320-acre coal gas spacing and proration unit for said pool, said unit to be dedicated to its Carson Unit "323" Well No. 15 which has been drilled at a standard coal gas well location 1610 feet from the South line and 1560 feet from the West line (Unit K) 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 the drilling of said well. Said unit is located approximately 6.5 miles southwest by west of the B.I.A. Huerfano Community School.

CASE 10148: Application of Pennzoil Exploration and Production Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its Mescalero "30" Federal Well No. 2 to be drilled 1980 feet from the North line and 990 feet from the West line of Section 30, Township 19 South, Range 34 East, to test any and all formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation, which includes but is not limited to the Undesignated Quail Ridge-Morrow Gas Pool and Undesignated Gem-Morrow Gas Pool. Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of said Section 30 are to be dedicated to said well forming a 320.55-acre gas spacing and proration unit. Said unit is located approximately 2 miles north of Mile Marker No. 76 on U.S. Highway 62/180.

CASE 10114: (Readvertised)

Application of Meridian Oil, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox coal gas well location for its Frost Well No. 500 to be located 2510 feet from the North line and 790 feet from the East line (Unit H) of Section 26, Township 27 North, Range 10 West, the N/2 of Section 26 to be dedicated to the subject well, forming a standard 320-acre gas spacing and proration unit for said pool. Said location is within the Angel Peak Recreation Area.

CASE 10149: Application of Meridian Oil Inc. on behalf of Southland Royalty Company for dual completion and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization to dually complete its existing Cain Well No. 3-R, located 1610 feet from the South line and 810 feet from the East line (Unit I) of Section 30, Township 29 North, Range 9 West, in both the Blanco-Mesaverde Pool and Basin-Fruitland Coal Gas Pool, Lots 8 through 15 (S/2 equivalent) of said Section 30 to be dedicated to both zones forming a 268.42-acre gas spacing and proration unit. Further, said well is located at an unorthodox coal gas well location, pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, in which the applicant requests approval. Said unit is located approximately 2 miles south-southeast of Blanco, New Mexico.

CASE 10150: Application of Meridian Oil Inc. for dual completion and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization to dually complete its San Juan Well No. 20A, located 850 feet from the North line and 1100 feet from the West line (Unit E) of Section 35, Township 29 North, Range 9 West, in both the Blanco-Mesaverde Pool and Basin-Fruitland Coal Gas Pool, the W/2 of said Section 35 to be dedicated to both zones forming a standard 320-acre gas spacing and proration unit. Further, said well is located at an unorthodox coal gas well location, pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, in which the applicant requests approval. Said unit is located approximately 5 miles southeast of Blanco, New Mexico.