

Dockets Nos. 9-91 and 10-91 are tentatively set for April 4, 1991 and April 18, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 21, 1991

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, or David R. Catanach, or Jim Morrow, Alternate Examiners:

CASE 10263: 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 E/2 of Section 30, Township 25 North, Range 12 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 a standard coal gas well location in the NE/4 of said Section 30. 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 miles southwest by west of the B.I.A. Huerfano Community School.

CASE 10264: Application of Robert L. Bayless for designation of a tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 29, 30, 31 and 32 North, Ranges 2, 3, and 4 West, containing 193,090 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area for the most part comprises the northwestern portion of the Jicarilla Apache Indian Reservation.

CASE 10265: Application of Northwest Pipeline Corporation for clarification of Division Order No. R-8332 relating to compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order clarifying Division Order No. R-8332, which order pooled certain interests in the Gavilan Mancos Oil Pool underlying the S/2 of Section 24, Township 25 North, Range 2 West, forming a standard 320-acre proration unit for said pool. Specifically, Northwest seeks an interpretation of decretory paragraph No. (7) to determine whether Northwest must account for the proceeds from the date of first production or from the effective date of Division Order R-7407, which enacted special pool rules for the Gavilan-Mancos Oil Pool establishing 320-acre proration units. Said proration unit is located approximately 5.5 miles north-northeast of Lindrith, New Mexico.

CASE 10241: (Readvertised)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in both the Undesignated South Dagger Draw-Upper-Pennsylvanian Associated Pool and the Undesignated West Dagger Draw-Morrow Gas Pool to be drilled 560 feet from the South and East lines (Unit P) of Section 9, Township 20 South, Range 24 East, the E/2 of said Section 9 to be dedicated to said well forming a standard 320-acre oil or gas spacing and proration unit. Said unit is located approximately 10 miles west of Seven Rivers, New Mexico.

CASE 10234: (Continued from March 7, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ordovician formation underlying the following described acreage in Section 29, Township 9 South, Range 26 East, and in the following manner: the N/2 to form 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 Four Ranch-PrePermian Gas Pool and Undesignated East Bitter Lakes-Wolfcamp Gas Pool; the NE/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, which presently includes but is not necessarily limited to the South Pecos Slope-Abo Gas Pool; and the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre oil spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled 1980 feet from the North line and 2310 feet from the East line (Unit G) of said Section 29, which is a standard oil and gas well location for zones spaced on 320 acres and 40 acres but is an unorthodox gas well location for zones spaced on 160 acres. 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 7 miles north of Mile Marker No. 167 on U.S. Highway 380.

CASE 10266: Application of Fina Oil and Chemical Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below a depth of 10,907 feet underlying the E/2 of Section 28, Township 16 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any and all formation and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the South Kemnitz Atoka-Morrow Gas 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 7 miles northwest by north of Buckeye, New Mexico.

CASE 10267: Application of Pacific Enterprises Oil Company (USA) for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the following described acreage in Section 4, Township 23 South, Range 34 East, and in the following manner: All of said Section 4 forming a 639.52-acre gas spacing and proration unit in the Undesignated North Bell Lake-Devonian Gas Pool which is spaced on 640 acres; Lots 3 and 4, S/2 NW/4 and SW/4 (W/2 equivalent) to form a 320.16-acre gas 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 necessarily limited to the Undesignated North Antelope Ridge-Wolfcamp Gas Pool, Undesignated Antelope Ridge-Atoka Gas Pool, Undesignated North Bell Lake-Morrow Gas Pool and the Undesignated Antelope Ridge-Morrow Gas Pool; the SW/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; and, the NE/4 SW/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 which presently includes but is not necessarily limited to the Undesignated Northwest Antelope Ridge-Bone Spring Pool. Said units are to be dedicated to a single well to be drilled at a standard location in the NE/4 SW/4 (Unit K) 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 area is located approximately 20 miles west-southwest of Eunice, New Mexico.

CASE 10248: (Readvertised)

Application of Pitts Energy Co. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1500 feet from the South line and 1650 feet from the East line (Unit J) of Section 5, Township 12 South, Range 38 East, the NW/4 SE/4 of said Section 5 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing from the surface to the base of the Devonian formation, which presently includes but is not necessarily limited to the Gladiola-Wolfcamp Pool, Undesignated Gladiola-Mississippian Pool, and Gladiola-Devonian Pool. Said unit is located approximately 5 miles northeast of Gladiola, New Mexico.

CASE 10268: Application of BTA Oil Producers for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, in compliance with the provisions of Division Order No. R-9147-8, seeks authority to dispose of produced salt water into the East Loving-Delaware Pool, in the perforated interval from approximately 3,500 feet to 3,875 feet in its existing Pardue "C" 8808 JV-P Well No. 1 located 176 feet from the South line and 1550 feet from the West line (Unit M) of Section 11, Township 23 South, Range 28 East. Said well is located approximately 3 miles northeast of Loving, New Mexico.

CASE 10269: Application of Marathon Oil Company for a waterflood project and 12 unorthodox injection well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its McDonald State A/C 2 Lease underlying the E/2, SE/4 NW/4, and SW/4 of Section 16, Township 22 South, Range 36 East, by the injection of water into the South Eunice Seven Rivers-Queen Pool, through the perforated interval from 3500 feet to 3800 feet in 12 injection wells, each to be drilled at unorthodox locations (five of which could be considered as Lease line injection wells). Further, the applicant seeks authorization to inject water under pressure in said project in excess of the NMOCG guideline of 0.2 psi per foot of depth. Said project area is located approximately seven miles south of Oil Center, New Mexico.

CASE 10270: Application of Oryx Energy Company for compulsory pooling, non-standard gas proration unit, 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 top of the Wolfcamp formation to the base of the Morrow formation underlying Lots 3 and 4, the E/2 SW/4 and SE/4 (S/2 equivalent) of Section 19, Township 18 South, Range 28 East, to form a non-standard 326.81-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 Red Lake Atoka-Morrow Gas Pool and Undesignated North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox gas well location 990 feet from the South and East lines (Unit P) of said Section 19. 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 1.5 miles north of the Old Illinois Oil Camp.

CASE 10271: Application of Stevens Operating Corporation for directional drilling and an unorthodox bottomhole oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to reenter the plugged and abandoned Intex Oil Company Gulf State Well No. 1 located 660 feet from the North and East lines (Unit A) of Section 11, Township 13 South, Range 28 East, and directionally drill from the existing wellbore in such a manner as to bottom the deviated well in the Devonian formation at an unorthodox bottomhole oil well location within a target area described as a rectangle 130 to 530 feet from the North line and from 1400 to 1800 feet from the East line of said Section 11, the NW/4 NE/4 of said Section 11 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 15.5 miles east of Dexter, New Mexico.

CASE 10272: Application of Amoco Production Company for directional drilling and an unorthodox bottomhole gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to recomplete its existing Smith Federal Gas Com Well No. 1 located 1613 feet from the North line and 2336 feet from the West line (Unit F) of Section 12, Township 22 South, Range 23 East, by directionally drilling from the existing wellbore in such a manner as to bottom the deviated well in the Indian Basin-Upper Pennsylvanian Gas Pool at an unorthodox gas well location within a target area described as a rectangle 1800 to 2000 feet from the North line and 330 feet to 430 feet from the West line in Unit E of said Section 12, all of Section 12 to be dedicated to said well forming a standard 640-acre gas spacing and proration unit for said pool. Said unit is located approximately 20 miles west of Carlsbad, New Mexico.

CASE 10273: Application of Jack A. Cole for designation of a tight formation, San Juan, Rio Arriba, and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Gallup formation underlying portions of Townships 23 and 24 North, Ranges 6, 7, and 8 West, containing 81,920 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area surrounds the Lybrook and Counselor, New Mexico region.

CASE 10274: Application of Maralex Resources, Inc. 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, NE/4 and E/2 NW/4 (N/2 equivalent) of Section 18, Township 30 North, Range 11 West, forming a standard 326.01-acre gas spacing and proration unit for said pool. Said well is to be dedicated to either the existing B.H. Keyes and M.N. Keys Trust Brimhall Well No. 1 to be recompleted up-hole from the Aztec-Pictured Cliffs Pool to said coal gas zone located at a standard coal gas well location 990 feet from the North and East lines (Unit A) of said Section 18 or, if said Brimwell Well No. 1 is not found to be mechanically sound, to a new well to be drilled at a standard coal gas well location in the NE/4 of said Section 18. 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 1.5 miles south of the Aztec, New Mexico Municipal Airport.

CASE 10275: Application of Maralex Resources, Inc. 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, NE/4, E/2 NW/4 of Section 19, Township 30 North, Range 11 West, forming a standard 327.10-acre gas spacing and proration unit for said pool. Said well is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 19. 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 2.5 miles south of the Aztec, New Mexico Municipal Airport.

CASE 10276: Application of Maralex Resources, Inc. 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 24, Township 30 North, Range 12 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said well is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 24. 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 east of Flora Vista, New Mexico.

CASE 10233: (Continued from March 7, 1991, Examiner Hearing.)

Application of Mobil Exploration & Producing Company for approval of salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the South Vacuum Devonian Pool, in the open hole interval from approximately 11,800 feet to 13,970 feet in its State Section 27 Well No. 1 located 660 feet from the North line and 1983 feet from the East line (Unit B) of Section 27, Township 18 South, Range 35 East. Said well is located approximately 5 miles east of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 9582: (Reopened and Continued)

In the matter of Case 9582 being reopened pursuant to the provisions of Division Order No. R-8872, which order promulgated special rules and regulations for the Hat Mesa-Bone Spring Pool in Lea County, New Mexico, including provisions for 80-acre spacing and proration units and designated well location requirements. Operators in said pool may appear and show cause why the temporary rules for the Hat Mesa-Bone Spring Pool should not be rescinded.

CASE 10277: In the matter of the hearing called by Oil Conservation Division on its own motion for an order creating, assigning a discovery allowable and extending certain pools in Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the Buffalo-Queen Pool. In addition, the discovery well for said Buffalo-Queen Pool, the Harvey E. Yates Company Atlantic 32 State Well No. 1 located in Unit C of Section 32, Township 18 South, Range 33 East, is entitled to and should receive a bonus discovery allowable in the amount of 22,100 barrels of oil to be assigned over a two year period. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 32: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the South Fowler-Tubb Pool. The discovery well is the Chevron USA Inc. Plains Knight Well No. 2 located in Unit M of Section 23, Township 24 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 23: SW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the South Shoe Bar-Wolfcamp Pool. The discovery well is the Mobil Exploration and Producing US Inc. Lovington Deep State Well No. 3 located in Unit G of Section 1, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 1: NE/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production and designated as the Young-Grayburg Pool. The discovery well is the Siete Oil & Gas Corporation Inca Federal Well No. 8 located in Unit F of Section 17, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 17: NW/4

- (e) EXTEND the Bilbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 27: S/2

- (f) EXTEND the South Corbin-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 19: SE/4

- (g) EXTEND the West Corbin-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 12: SE/4

- (h) EXTEND the South Corbin-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4
Section 27: SE/4

- (i) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 8: NW/4

- (j) EXTEND the Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 31: SW/4

- (k) EXTEND the East Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 14: E/2

- (l) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 27: E/2

- (m) EXTEND the Lane-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 36: NW/4

- (n) EXTEND the Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 17: S/2

- (o) EXTEND the Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 6: S/2

- (p) EXTEND the Quail Ridge-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 3: SW/4

- (q) EXTEND the Shipp-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 4: SW/4

Section 5: SE/4

- (r) EXTEND the South Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 16: NE/4

CASE 10278: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning a discovery allowable, and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Cisco/Canyon production and designated as the Upper Pennsylvanian Gas Pool. The discovery well is the Yates Petroleum Agave "AAJ" State Well No. 2 located in Unit K of Section 32, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 32: S/2

Section 33: All

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the West Dagger Draw-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Alexander "AHX" Federal Well No. 1 located in Unit C of Section 33, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 33: N/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Hart Draw-Atoka Gas Pool. The discovery well is the Newbourne Oil Company Federal R Well No. 1 located in Unit M of Section 17, Township 17 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 17: S/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Los Medanos-Delaware Pool. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 16: SW/4

In addition, the discovery well for said Los Medanos-Delaware Pool, the Yates Petroleum Corporation, Medano "VA" State Well No. 1 located in Unit K of Section 16, Township 23 South, Range 31 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 21,090 barrels of oil to be assigned over a two year period.

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Palmillo Draw-Atoka Gas Pool. The discovery well is the Chevron USA, Inc. Artesia State Com. Well No. 3 located in Unit F of Section 23, Township 18 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 23: N/2

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Palmillo Draw-Strawn Gas Pool. The discovery well is the Hondo Drilling Company Alscott Federal Well No. 1 located in Unit G of Section 31, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 31: N/2

- (g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Russell-Bone Spring Pool. The discovery well is the Siete Oil & Gas Corporation Indigo Federal Well No. 1 located in Unit L of Section 13, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 13: SW/4

- (h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Serpentine Bends-Delaware Gas Pool. The discovery well is the Yates Energy Corporation Sidewinder Well No. 1 located in Unit F of Section 20, Township 24 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM

Section 20: NW/4

- (i) EXTEND the Bandana Point-Strawn Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 23 EAST, NMPM.
Section 27: W/2
- (j) EXTEND the Burton-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM.
Section 18: SE/4
- (k) EXTEND the North Burton Flat-Atoka Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM.
Section 22: N/2
- (l) EXTEND the East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM.
Section 22: N/2
- (m) EXTEND the Cabin Lake-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM.
Section 2: NE/4
- (n) EXTEND the East Catclaw Draw-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM.
Section 8: SE/4
- (o) EXTEND the South Dagger Draw-Upper Pennsylvanian Association Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM.
Section 12: S/2
- (p) EXTEND the Elkins-San Andres Gas Pool in Chaves County, New Mexico, to include therein:
TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM.
Section 25: SW/4
- (q) EXTEND the Frontier Hills-Strawn Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM.
Section 21: W/2
- (r) EXTEND the East Loving-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM.
Section 13: SW/4
Section 22: NW/4
- (s) EXTEND the Millman-Grayburg Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM.
Section 24: NE/4
- (t) EXTEND the Parkway-Bone Spring Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM.
Section 34: SW/4
- (u) EXTEND the Parkway-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM.
Section 2: NE/4
- (v) EXTEND the Pierce Crossing-Bone Spring Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM.
Section 19: NE/4
- (w) EXTEND the Red Lake Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM.
Section 21: N/2

- (x) EXTEND the West Sand Dunes-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPH.
Section 16: W/2

- (y) EXTEND the Tamano-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPH.
Section 10: NE/4

Dockets Nos. 28-86 and 29-86 are tentatively set for September 17 and October 8, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING WEDNESDAY - SEPTEMBER 3, 1986
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 8595: (Continued from August 6, 1986, Examiner Hearing). (OCD - Reopened) (This case will be dismissed.)

In the matter of Case 8595 being reopened pursuant to the provisions of Order No. R-7983 which order promulgated temporary special rules and regulations for the Northeast Caudill-Wolfcamp Pool in Lea County including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why the pool should not be developed on 40-acre spacing and proration units.

CASE 8982: Application of Frostman Oil Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 3,004 feet to 3,434 feet in its Red Twelve State Well No. 4 located 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 5, Township 17 South, Range 29 East, Cave Grayburg-San Andres Pool.

CASE 8305: (Reopened)

In the matter of Case 8305 being reopened pursuant to the provisions of Order No. R-7660, which order promulgated temporary special rules and regulations for the North Chaveroo Permo-Pennsylvanian Pool in Roosevelt County, including a provision for 160-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 8984: Application of H. E. Prince Construction and Petroleum for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Linda-San Andres Pool in the open-hole interval from approximately 1019 feet to 1071 feet in its Federal Well No. 11 located 1650 feet from the South line and 2310 feet from the West line (Unit K) of Section 33, Township 6 South, Range 26 East.

CASE 8985: Application of Northwest Pipeline Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying the S/2 of Section 24, Township 25 North, Range 2 West, forming a standard 320-acre oil spacing and proration unit to be dedicated to the (Mesa Grande Resources, Inc.) Rucker Lake Well No. 2 located at a previously approved unorthodox location 1450 feet from the South line and 1520 feet from the West line (Unit K) of said Section 24. 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 Mesa Grande Resources, Inc. as operator of the well and a charge for risk involved in drilling said well.

CASE 8936: (Continued from August 6, 1986, Examiner Hearing)

Application of Santa Fe Energy 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 either the SW/4 NW/4 of Section 33, Township 23 South, Range 31 East, to form a standard 40-acre oil spacing and proration unit within said vertical limits or the W/2 of said Section 33 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, both aforementioned units 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.

CASE 8920: (Continued from August 6, 1986, Examiner Hearing) (Reopened)

Application of Santa Fe Energy Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp, Strawn, Atoka, and Morrow formations underlying the W/2 of Section 24, Township 22 South, Range 27 East, forming a standard 320-acre gas spacing and proration 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 drilling said well.

CASE 8972: (Readvertised)

Application of the Estate of Edward Gerber and Iris Gerber Danson for a non-standard gas proration unit and an exception to Rule 5(a)2(2) of Division Order No. R-8170, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the SW/4 of Section 32, Township 30 North, Range 7 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard gas well location in said Section 32. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for Prorated Gas Pools in New Mexico as promulgated by Division Order No. R-8170 authorizing a full 320-acre acreage factor to be assigned to said non-standard gas proration unit.

CASE 8971: (Readvertised)

Application of Cinco, Ltd. for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, Rio Arriba County, New Mexico. Applicant, in the above-styled cause seeks approval of a 160-acre non-standard gas proration unit comprising the NW/4 of Section 32, Township 30 North, Range 7 West, Blanco Mesaverde Pool, to be dedicated to a well to be drilled at a standard gas well location in said Section 32. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for Prorated Gas Pools in New Mexico as promulgated by Division Order No. R-8170 authorizing a full 320-acre acreage factor to be assigned to said non-standard gas proration unit.

CASE 8849: (Continued from August 6, 1986, Examiner Hearing)

Application of Southland Royalty Company for NGPA Wellhead Price Ceiling Category Determinations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination by the Division that the following four wells in Township 19 South, Range 35 East, Scharb-Bone Springs Pool, meet the NGPA well category criteria for New Onshore Reservoir under Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission:

- 1) Smith "5" Well No. 2 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5;
- 2) Smith "5" Well No. 4 located 2149 feet from the South line and 700 feet from the East line (Unit I) of Section 5;
- 3) Scharb "8" Well No. 2 located 660 feet from the North line and 2180 feet from the East line (Unit B) of Section 8; and,
- 4) Scharb "9" Well No. 4 located 766 feet from the North line and 2086 feet from the West line (Unit C) of Section 9.

CASE 8986: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Eddy, Lea, and Roosevelt Counties, New Mexico:

- (a) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for Montoya production and designated as the North Dead Mans Draw-Montoya Gas Pool. The discovery well is the Marshall Pipe and Supply Company Wendell Best Well No. 1 located in Unit J of Section 27, Township 2 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 2 SOUTH, RANGE 29 EAST, NMPM
Section 27: S/2

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East El Mar-Delaware Pool. The discovery well is the Exxon Corporation East El Mar Federal Well No. 1 located in Unit O of Section 27, Township 26 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 33 EAST, NMPM
Section 27: SE/4

- (c) EXTEND the Bowers-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 9: NE/4

- (d) EXTEND the South Humble City-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 12: SE/4
Section 13: NE/4

- (e) EXTEND the Humble City-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 9: NE/4
Section 10: NW/4 and S/2
Section 11: SE/4

- (f) EXTEND the Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 27: N/2

- (g) EXTEND the South Lea-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 24: E/2

- (h) EXTEND the Midway-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 13: SE/4

- (i) EXTEND the East Shugart-Delaware Pool in Eddy and Lea Counties, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 18: SW/4
Section 19: NW/4

- (j) EXTEND the Skaggs-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 18: SW/4

- (k) EXTEND the Tubb Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 24: SW/4