

Dockets Nos. 7-87 and 8-87 are tentatively set for March 4, and March 18, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 18, 1987  
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, Alternate Examiner:

CASE 9074: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Texas Rose Petroleum, Inc., The Travelers Indemnity Company and all other interested parties to appear and show cause why the following five wells, all on the El Poso Ranch Lease and located in Township 28 North, Range 1 East, Rio Arriba County, New Mexico, as projected into the unsurveyed Tierra Amarilla Land Grant, should not be plugged and abandoned in accordance with a Division-approved plugging program:

Well No. 1 located 1824 feet from the South line and 1778 feet from the East line (Unit J) of Section 14;

Well No. 2 located 618 feet from the South line and 2418 feet from the West line (Unit N) of Section 14;

Well No. 3 located 967 feet from the South line and 2148 feet from the West line (Unit N) of Section 11;

Well No. 7 located 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 14; and,

Well No. 8 located 2310 feet from the South and West lines (Unit K) of Section 14.

CASE 9075: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Texas Rose Petroleum, Inc., the Travelers Indemnity Company and all other interested parties to appear and show cause why the Quinlan Ranch Well No. 1 located at a point S44 25'.05"E, a distance of 9040 feet from the Mile Corner No. 202 + 5.10 feet on the boundary line between Colorado and New Mexico (the NW/4 NE/4 [Unit B] of projected Section 29, Township 32 North, Range 3 East), Tierra Amarilla Land Grant, Rio Arriba County, New Mexico, should not be re-plugged and abandoned in accordance with a Division-approved plugging program.

CASE 9076: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Moonrise State Unit Area comprising 1600.00 acres, more or less, of State lands in Township 18 South, Range 36 East.

CASE 9077: Application of BTA Oil Producers for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the South Double A-Abo Pool in the open-hole interval from approximately 9,300 feet to 9,580 feet in its Buckeye -B-, 8601 JV-P Well No. 2, located 1980 feet from the North and East Lines (Unit G) of Section 36, Township 17 South, Range 35 East.

CASE 9078: Application of BTA Oil Producers to contract the horizontal limits of the West Osudo-Wolfcamp Pool and the concomitant creation of a new gas pool with special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the West Osudo-Wolfcamp Pool by the deletion therefrom of the NE/4 of Section 23, Township 20 South, Range 35 East, and the concomitant creation of a new gas pool for Wolfcamp production comprising the aforementioned area. Applicant further seeks the promulgation of temporary special pool rules therefor including a provision for 160-acre spacing.

CASE 9070: (Continued from February 4, 1987, 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 Cisco Canyon formation underlying the SE/4 of Section 19, Township 19 South, Range 25 East, to form a standard 160-acre gas spacing and proration unit 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 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 9066: (Continued from January 21, 1987, Examiner Hearing)

Application of Kendall and Associates, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Farmington formation in the perforated interval from approximately 700 feet to 755 feet in its Hare Well No. 1 located 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 23, Township 29 North, Range 11 West, Bloomfield-Farmington Oil Pool.

CASE 9079: Application of Conoco, Inc. for hardship gas well classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Levers Federal Well No. 1 located 1594 feet from the North line and 660 feet from the West line (Unit E) of Section 2, Township 21 South, Range 25 East, Springs-Upper Pennsylvanian Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 9080: Application of Conoco Inc. for hardship gas well classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Federal 34 Well No. 1 located 960 feet from the South line and 1980 feet from the West line (Unit N) of Section 34, Township 20 South, Range 26 East, Springs-Upper Pennsylvanian Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 9081: Application of Conoco, Inc. for hardship gas well classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Federal 34 Well No. 2 located 2310 feet from the North line and 1290 feet from the East line (Unit H) of Section 34, Township 20 South, Range 26 East, Spring-Upper Pennsylvanian Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 9071: (Continued from February 4, 1987, Examiner Hearing)

Application of Foran Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the S/2 NW/4 of Section 8, Township 16 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit 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 9082: Application of Manana Gas, Inc. for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its proposed Cook Well No. 1-E to be drilled 235 feet from the North line and 368 feet from the West line (Unit D) of Section 22, Township 29 North, Range 11 West, Basin-Dakota Pool, the W/2 of said Section 22 to be dedicated to the well.

CASE 9083: Application of HNG Oil Company for a non-standard oil proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit comprising the NE/4 SE/4 and the SE/4 NE/4 of Section 34, Township 23 South, Range 28 East, Undesignated South Culebra Bluff-Bone Spring Pool, to be dedicated to its Pardue 34 Com Well No. 1 located at a standard oil well location 2310 feet from the North line and 660 feet from the East line (Unit H) of said Section 34.

CASE 9060: (Continued from February 4, 1987, Examiner Hearing)

Application of ARCO Oil and Gas Company 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 Atoka formation underlying the W/2 of Section 23, Township 17 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit 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 9084: Application of ARCO Oil and Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Justis-Blinebry and Justis-Montoya Pools in the wellbore of its State Y Well No. 3 located 330 feet from the North line and 1650 feet from the East line of Section 25, Township 25 South, Range 37 East.

CASE 9048: (Continued from January 7, 1987, Examiner Hearing)

Application of Benson-Montin-Greer Drilling Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West

CASE 9078: (Continued from December 27, 1989, Examiner Hearing.)

In the matter of Case 9078 being reopened pursuant to the provisions of Division Order Nos. R-8450 and R-8450-A, both concerning the Southwest Osudo-Wolfcamp Gas Pool in Lea County, New Mexico. BTA Oil Producers may appear and present evidence as to the exact nature of the reservoir and more particularly, as to the proper rate of withdrawal from the Southwest Osudo-Wolfcamp Gas Pool if it is indeed determined to be a retrograde gas condensate reservoir.

CASE 9846: (Continued from December 27, 1989, 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 from the surface to the base of the Canyon formation underlying the SE/4 of Section 35, Township 19 South, Range 24 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which includes but is not limited to the Undesignated Dagger Draw-Wolfcamp Gas Pool and Undesignated North Dagger Draw-Upper Pennsylvanian Pool, and the SE/4 SE/4 of said Section 35 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 necessarily limited to the Undesignated Canyon-Wolfcamp Pool. Said unit is to be dedicated to a well to be drilled at a standard location 660 feet from the South and East lines (Unit P) of said Section 35. 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 operation 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 7.5 miles west by north of Seven Rivers, New Mexico.

CASE 9813: (Continued from December 27, 1989, Examiner Hearing.)

Application of Meridian Oil Inc., on behalf of El Paso Natural Gas Company, for an unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its San Juan 30-6 Unit Well No. 482 to be drilled 835 feet from the South line and 2440 feet from the West line (Unit N) of Section 31, Township 30 North, Range 6 West, Basin-Fruitland Coal Gas Pool, the W/2 of said Section 31 to form a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 6.25 miles east-southeast of the Navajo Reservoir Dam.

CASE 9850: (Continued from December 27, 1989, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order extending a certain existing pool in Rio Arriba County and San Juan Counties, New Mexico.

(a) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM

Sections 2 through 11: All  
Sections 14 through 23: All

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Sections 1 and 2: All  
Sections 11 through 14: All  
Section 15: S/2  
Section 20: S/2  
Sections 22 through 24: All

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM

Section 20: E/2  
Section 21: All  
Section 28 and 29: All  
Sections 32 through 25: All

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DOCKET: COMMISSION HEARING - THURSDAY - JANUARY 18, 1990  
9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO

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Docket 2-90

CASE 9764: (De Novo)

Application of Meridian Oil, Inc. for a highly-deviated directional drilling pilot project, unorthodox gas well location and an exception to Rule 2(b) of the Special Rules Governing the Blanco-Mesaverde Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a highly-deviated directional drilling pilot project in the equivalent E/2 (Lots 1, 2, 7, 8, 9, 10, 15, and 16) of Section 14, Township 30 North, Range 8 West, forming a 284.20-acre gas spacing and proration unit in the Blanco-Mesaverde Pool, by commencing its Hail "E" Well No. 2R at an unorthodox surface location 435 feet from the North line and 1555 feet from the East line of said Section 14, then drilling to a true vertical depth of approximately 3421 feet then commencing a medium radius curve in a southerly direction to encounter the top of the Blanco-Mesaverde Pool at a true vertical depth of approximately 4142 feet at which point the wellbore will be drilled to the base of the Blanco-Mesaverde Pool at a true vertical depth of approximately 5415 feet to a terminus at a standard bottomhole location in the SE/4 of said Section 14 being no closer than 790 feet from the outer boundary of the southern half of the subject proration unit. Applicant further seeks an exception to Rule 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Pool as promulgated by Division Order No. R-8170, as amended, allowing a third well to be drilled and produced on an existing proration unit in which are dedicated the Hail "E" Wells Nos. 2 and 2A located in Units A and P, respectively, of said Section 14. Said unit is located approximately 20 miles east of Aztec, New Mexico. Upon application of Meridian Oil, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

3-90 and 4-90 are tentatively set for January 24, 1990 and February 7, 1990. Applications for hearing must be filed at in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 10, 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, Alternate Examiner:

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

**CASE 9841:** (Continued from December 13, 1989, Examiner Hearing.)

Application of Tahoe Energy Inc. for four non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the following four non-standard gas spacing and proration units for Jalmat Gas Pool production in Sections 3 and 4, Township 25 South, Range 37 East:

1. 160.23 acres comprising Lot 2, SW/4 NE/4, and W/2 SE/4 of Section 3;
2. 160.25 acres comprising Lot 3, SE/4 NW/4, and E/2 SW/4 of Section 3;
3. 160.29 acres comprising Lot 4, SW/4 NW/4, and W/2 SW/4 of Section 3;
4. 120.29 acres comprising Lot 1, SE/4 NE/4, and NE/4 SE/4 of Section 4.

Said area is located approximately 4 miles northeast by north of Jal, New Mexico.

**CASE 8874:** (Reopened)

In the matter of Case 8874 being reopened pursuant to the provisions of Division Order Nos. R-639-C-1 which Order reclassified the Crosby-Devonian Gas Pool in Lea County, New Mexico. Operators in the subject pool should be prepared to appear and show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool to be governed by the rules set forth by Division Orders No. R-639, as amended, and R-8170, as amended.

**CASE 9851:** Application of McKay Oil Corporation for horizontal drilling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to reenter two wells for the purpose of drilling two horizontal drainholes from each well in the Abo formation. The McKay-Harvey Federal Well No. 1 located 660 feet from the South and East lines (Unit P) of Section 17, Township 9 South, Range 25 East, is proposed to have one drainhole terminating at a point 660 feet from the South line, 960 feet from the East line, and another drainhole terminating 960 feet from the South line, 660 feet from the East line of said Section in the South Pecos Slope-Abo Gas Pool. The L. L. & E. Federal Well No. 3 located 660 feet from the North line and 1485 feet from the West line (Unit C) of Section 12, Township 6 South, Range 22 East, is proposed to have one drainhole terminating 729 feet from the North line, 1776 feet from the West line and another drainhole terminating 660 feet from the North line, 1184 feet from the West line (Unit D) of said Section in the West Pecos Slope-Abo Gas Pool. The McKay-Harvey Federal Well No. 1 is located approximately 8 miles northeast of Roswell and the L. L. & E. Federal Well No. 3 is located approximately 25 miles north-northwest of Roswell.

**CASE 9819:** (Continued from November 29, 1989, 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 9820:** (Continued from November 29, 1989, Examiner Hearing.)

Application of Blackwood & Nichols Co., Ltd. for compulsory pooling and a non-standard gas proration unit, San Juan County, 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 the E/2 equivalent of Irregular Section 13, Township 30 North, Range 8 West, for any and all formations and/or pools within said vertical extent of this tract developed on 320-acre spacing (which presently includes but is not necessarily limited to the Basin-Fruitland Coal Gas Pool). Said unit is to be dedicated to its Northeast Blanco Unit Well No. 469, to be drilled at a previously approved (NSL-2685) unorthodox coal gas well location 1315 feet from the North line and 645 feet from the East line (Unit H) of said Section 13. 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 1 mile northwest of the Navajo Reservoir Dam.

Dockets Nos. 1-90 and 2-90 are tentatively set for January 10 and 24, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 27, 1989

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 9786: (Reopened and Readvertised)

Application of Harvey E. Yates Company for an exception to Division Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-3221, as amended, to permit the disposal of water produced in conjunction with the production of oil and gas from its Lusk "16" State Lease into an unlined pit to be located in the SW/4 of Section 16, Township 19 South, Range 32 East, Lea County, New Mexico. Said area is located approximately 7 miles north of Laguna Toston. This case was heard at the October 18, 1989 hearing, resulting in Division Order No. R-9052, dated November 21, 1989. Due to inadvertence this case was erroneously advertised for and said order reflected that this matter was in Eddy County, New Mexico. In the absence of objection, this case will be taken under advisement.

~~REOPENED~~ (Reopened) (This case will be continued to January 10, 1990.)

In the matter of Case 9078 being reopened pursuant to the provisions of Division Order Nos. R-8450 and R-8450-A, both concerning the Southwest Osudo-Wolfcamp Gas Pool in Lea County, New Mexico. BTA Oil Producers may appear and present evidence as to the exact nature of the reservoir and more particularly, as to the proper rate of withdrawal from the Southwest Osudo-Wolfcamp Gas Pool if it is indeed determined to be a retrograde gas condensate reservoir.

CASE 9845: Application of Yates Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Tamano-Bone Spring Pool underlying the SE/4 SW/4 (Unit N) of Section 1, Township 18 South, Range 31 East, forming a standard 40-acre oil spacing and proration unit for said pool, 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 9846: 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 Canyon formation underlying the SE/4 of Section 35, Township 19 South, Range 24 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which includes but is not limited to the Undesignated Dagger Draw-Wolfcamp Gas Pool and Undesignated North Dagger Draw-Upper Pennsylvanian Pool, and the SE/4 SE/4 of said Section 35 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 necessarily limited to the Undesignated Canyon-Wolfcamp Pool. Said unit is to be dedicated to a well to be drilled at a standard location 660 feet from the South and East lines (Unit P) of said Section 35. 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 7.5 miles west by north of Seven Rivers, New Mexico.

CASE 9847: Application of Yates Petroleum Corporation for unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 2310 feet from the North and West lines (Unit F) of Section 14, Township 17 South, Range 37 East, Undesignated Humble City-Strawn Pool or Undesignated South Humble City-Strawn Pool, the E/2 NW/4 of said Section 14 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for either pool. Said unit is located approximately 2.75 miles north by west of Humble City, New Mexico.

CASE 9810: (Readvertised)

Application of Yates Drilling Company for waterflood projects, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the proposed Cactus Queen (Statutory) Unit Area (Division Case No. 9809) underlying the SW/4 SW/4 of Section 26, the NE/4 SW/4, S/2 SW/4, and SE/4 of Section 27, the N/2 N/2 and SE/4 NE/4 of Section 34 and the NW/4 NW/4 of Section 35, all in Township 12 South, Range 31 East, by the injection of water into the Southeast Chaves Queen Gas Area Associated Pool through six certain wells all within said Unit Area. IN THE ALTERNATIVE, the applicant seeks to institute two waterflood projects adjacent to one another in this same general area; the first to be in the proposed Cactus Queen (Voluntary) Unit Area (Division Case No. 9823) underlying the NE/4 SW/4, S/2 SW/4, and W/2 SE/4 of Section 27 and the NW/4 NE/4 and N/2 NW/4 of Section 34, both in Township 12 South, Range 31 East, by the injection of water into the Southeast Chaves Queen Gas Area Associated Pool through three certain wells within said Unit Area; and, the second to be on the "Doyle" Fee Lease comprising the SW/4 SW/4 of Section 26, the E/2 SE/4 of Section 27, and the NE/4 NE/4 of Section 34, all in Township 12 South, Range 31 East, by the injection of water into said pool through three certain wells within said lease. The aforementioned area is centered approximately 12 miles southwest by south of Caprock, New Mexico.

CASE 9838: (Continued from December 13, 1989, Examiner Hearing)

Application of Parker Drilling Company for the institution of gas prorationing and the adoption of Special Rules for the Pitchfork Ranch-Atoka Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the limitation of gas production from the Pitchfork Ranch-Atoka Gas Pool in all or portions of Sections 28, 32, 33 and 34 of Township 24 South, Range 34 East, and Sections 3, 4, 5, and 10, Township 25 South, Range 34 East, to reasonable market demand and to the capacity of gas transportation facilities, and that Special Rules and Regulations be adopted for the pool including provisions for allocating the allowable production among the wells in the pool on a 100% surface acreage basis. Said area is located approximately 17 miles west-northwest of Jal, New Mexico.

CASE 9812: (Continued from December 13, 1989, Examiner Hearing)

Application of Meridian Oil Inc., on behalf of El Paso Natural Gas Company, for an unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its San Juan 30-6 Unit Well No. 479 to be drilled 1310 feet from the South line and 2300 feet from the West line (Unit N) of Section 29, Township 30 North, Range 6 West, Basin-Fruitland Coal Gas Pool, the W/2 of said Section 29 to form a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 6.25 miles east-southeast of the Navajo Reservoir Dam.

CASE 9813: (Continued from December 13, 1989, Examiner Hearing)

Application of Meridian Oil Inc., on behalf of El Paso Natural Gas Company, for an unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its San Juan 30-6 Unit Well No. 482 to be drilled 835 feet from the South line and 2440 feet from the West line (Unit N) of Section 31, Township 30 North, Range 6 West, Basin-Fruitland Coal Gas Pool, the W/2 of said Section 31 to form a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 6.25 miles east-southeast of the Navajo Reservoir Dam.

CASE 9848: 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 Chaves and Lea Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Hat Mesa-Delaware Pool. The discovery well is the Strata Production Company New Mexico A Federal Well No. 1 located in Unit F of Section 4, Township 21 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM  
Section 4: Lots 3, 4, 5 and 6

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Northwest Jenkins-San Andres Pool. The discovery well is the Kerr-McGee Corporation McMillen Well No. 1 located in Unit O of Section 3, Township 9 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM  
Section 3: SE/4

Dockets Nos. 10-87 and 11-87 are tentatively set for March 18 and April 8, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 4, 1987  
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 9057: (Reopened and Readvertised)

Application of New Mexico Petroleum Company to amend Division Order No. R-3960 and to transfer ownership of its oil treating plant approved by said Order, Lea County, New Mexico. Division Order No. R-3960, dated May 12, 1970, authorized New Mexico Petroleum Company to install and operate an oil treating plant at a site located in the SE/4 of Section 25, Township 11 South, Range 33 East. Applicant, in the above-styled cause, seeks to amend said Order to reflect the proper location of said plant site in the SW/4 SE/4 of Section 7, Township 11 South, Range 34 East. Applicant further seeks to transfer ownership of New Mexico Petroleum Company from Michael D. Caudill and Roland Caudill to Jess Keeth pursuant to Division General Rule 312.

CASE 8798: (Reopened)

In the matter of Case 8798 being reopened pursuant to the provisions of Order No. R-8182, which promulgated temporary special rules and regulations for the Casey-Strawn Pool in Lea County, including a provision for 80-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 9078: (Continued from February 18, 1987, Examiner Hearing)

Application of BTA Oil Producers to contract the horizontal limits of the West Osudo-Wolfcamp Pool and the concomitant creation of a new gas pool with special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the West Osudo-Wolfcamp Pool by the deletion therefrom of the NE/4 of Section 23, Township 20 South, Range 35 East, and the concomitant creation of a new gas pool for Wolfcamp production comprising the aforementioned area. Applicant further seeks the promulgation of temporary special pool rules therefor including a provision for 160-acre spacing.

CASE 9086: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests from a depth of 3595 feet to 9500 feet underlying the NE/4 SW/4 and SE/4 NW/4 of Section 12, Township 18 South, Range 31 East, forming two standard 40-acre oil spacing and proration units to be dedicated to wells to be drilled at standard oil well locations thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling that well.

CASE 9087: Application of Diamond Shamrock Exploration Company for an amendment to Division Order No. R-8331, Lea County, New Mexico. Division Order No. R-8331, dated November 4, 1986, authorized an unorthodox gas well location for the Antelope Ridge-Atoka Gas Pool for a well to be located 660 feet from the South and East lines of Section 34, Township 22 South, Range 34 East. Applicant, in the above-styled cause, now seeks to amend Order No. R-8331 to include the Morrow formation in the provisions set forth in said Order.

CASE 9088: Application of Nearburg Producing Company to amend the unorthodox location authorized by Division Order No. R-8375 and to include a directional drilling provision in said Order, Lea County, New Mexico. Division Order No. R-8375, dated December 23, 1986, authorized an unorthodox oil well location in the Undesignated South Humble City-Strawn Pool for a well to be drilled 1665 feet from the North line and 830 feet from the East line of Section 12, Township 17 South, Range 37 East. Applicant, in the above-styled cause, seeks to amend said Order to include authorization to directionally drill its well, located at the above-described surface location, to a bottomhole location in the Strawn formation within 100 feet of a point, 1980 feet from the North line and 430 feet from the East line of said Section 12, said bottomhole target point being unorthodox pursuant to the Special Rules promulgated for the South Humble City-Strawn Pool.

CASE 9089: Application of David Petroleum Company for compulsory pooling and unorthodox oil well location, 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 Undesignated Humble City-Atoka Pool underlying the N/2 NE/4 of Section 14, Township 17 South, Range 37 East, to form an 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits which are being developed on 80-acre spacing, said unit to be dedicated to a well to be drilled at an unorthodox oil well location 1200 feet from the North line and 1950 feet from the East line 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.

Dockets Nos. 36-88 and 37-88 are tentatively set for December 7 and December 21, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 22, 1988

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 9413: (Continued from October 26, 1988, Examiner Hearing.)

Application of Yates Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Avalon-Delaware Pool located in portions of Township 20 South, Ranges 27 and 28 East, including a provision to increase the gas-oil ratio limitation to 5,000 cubic feet of gas per barrel of oil. Said area is located approximately 9 miles north of Carlsbad, New Mexico.

CASE 9528: Application of Santa Fe Energy Operating Partners, L.P. 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 17, Township 23 South, Range 31 East, and in the following described manner:

the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools (Undesignated Los Medanos-Morrow Gas and Undesignated West Sand Dunes-Atoka Gas Pools) developed on 320-acre spacing;

the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing; and,

the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools (Undesignated James Ranch-Bone Spring Pool) developed on statewide 40-acre spacing.

All of the above-described units are to be dedicated to a single well to be drilled at a standard location in the SW/4 NE/4 (Unit G) of said Section 17.

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 1.5 miles south by east of the James Ranch.

CASE 9529: Application of Santa Fe Exploration Company for pool creation, special pool rules, and discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for the Devonian formation comprising the SE/4 of Section 9, Township 14 South, Range 29 East, and the promulgation of temporary special rules therefor including a provision for 160-acre spacing and proration units and designated well location requirements. Applicant further seeks the assignment of an oil discovery allowable, pursuant to General Rule 509, to the Holmstrom Federal Well No. 1 located 1980 feet from the South and East lines (Unit J) of said Section 9 (which is approximately 17 miles east of Haggerman, New Mexico).

CASE 9078: (Reopened)

In the matter of Case No. 9078 being reopened pursuant to the provisions of Division Order No. R-8450, which created the Southwest Osudo-Wolfcamp Pool in Lea County, New Mexico, upon the application of BTA Oil Producers. The applicant shall appear and present evidence as to the exact nature of the reservoir and, more particularly, as to the proper rate of withdrawal from the reservoir if it is indeed determined to be a retrograde gas condensate reservoir.

CASE 9530: Application of Pennzoil Exploration and Production Company for compulsory pooling and an unorthodox oil well location, 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 Atoka formation underlying the S/2 SW/4 of Section 1, Township 17 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit for any pool developed on 80-acre spacing within said vertical limits (which includes but is not necessarily limited to the Undesignated Humble City-Atoka, Undesignated Humble City-Strawn, Undesignated South Humble City-Strawn, or Undesignated Shipp-Strawn Pools) or the SE/4 SW/4 of said Section 1 to form a standard statewide 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical limits (which includes but is not necessarily limited to the Undesignated West Garrett-Devonian and Undesignated Humble City-Wolfcamp Pools), both aforementioned units to be dedicated to a well to be drilled 900 feet from the South line and 1750 feet from the West line (Unit N) of said Section 1, which is unorthodox for an 80-acre 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 area is located approximately 4.75 miles west by north of Knowles, New Mexico.



CASE 9531: Application of OGS Operating Company, Inc. for compulsory pooling and an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bluit-San Andres Associated Pool, underlying either the W/2 of Section 14, Township 8 South, Range 37 East, to form a standard 320-acre spacing and proration unit for any gas production from said pool, or the N/2 NW/4 of said section to form a standard 80-acre spacing and proration unit for any oil production from said pool. Either unit is to be dedicated to a well to be drilled to the base of said pool at a standard gas well location 990 feet from the North and West lines (Unit D) of said Section 14. However, this location will be an unorthodox oil well location for said pool. 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 3.25 miles east of Bluit, New Mexico.

CASE 9524: (Readvertised)

Application of Amerind Oil Company for directional drilling and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its State MTS Well No. 1 located at a standard surface location 1830 feet from the South line and 660 feet from the East line (Unit I) of Section 2, Township 17 South, Range 37 East, wherein the applicant proposes to directionally drill said well to penetrate the Strawn formation, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, at an unorthodox bottomhole location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2. The E/2 SE/4 of said Section 2 is to be dedicated to the subject well. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill the State MTS Well No. 1-A at an unorthodox surface location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2 to test the Strawn formation. This area is located approximately 4 miles North of Humble City, New Mexico.

CASE 9532: Application of Amerind Oil Company 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 Strawn formation underlying the E/2 SE/4 of Section 2, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing (which includes but is not necessarily limited to the Undesignated Shipp-Strawn Pool and the Undesignated Humble City-Atoka 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 area is located approximately 4.25 miles north of Humble City, New Mexico.

CASE 9533: Application of Nearburg Producing Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard 40-acre oil spacing and proration unit for production from the Northeast Lovington-Pennsylvanian Pool comprising the SE/4 NW/4 (Unit F) of Section 19, Township 16 South, Range 37 East. Said unit is to be dedicated to a well to be drilled at a standard oil well location 1900 feet from the North line and 2400 feet from the West line of said Section 19, which is located approximately 3 3/4 miles southeast of Lovington, New Mexico.

CASE 9534: Application of Standard Oil Production Company 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 Strawn formation underlying the NW/4 NE/4 (Unit B) of Section 8, Township 17 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing and proration units (which includes but is not necessarily limited to the Undesignated West Garrett-Devonian and Undesignated Knowles-Abo Pools). 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 area is located approximately 2.5 miles north-northeast of Knowles, New Mexico.

CASE 9535: Application of Meridian Oil, Inc. for compulsory pooling, unorthodox gas well location, and non-standard gas proration unit, 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 3 and 4 and the E/2 SW/4 of Section 7 and Lots 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township 30 North, Range 8 West, forming a non-standard 334.94-acre gas spacing and proration unit, to be dedicated to its Howell "C" Com Well No. 301 to be drilled at an unorthodox gas well location in the SE/4 NW/4 (Unit F) 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 northwest by north of Archuleta, New Mexico.