

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS  
GOVERNOR

July 23, 1987

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Evans Production Company  
1109 El Alhambra Circle, N.W.  
Albuquerque, New Mexico 87107

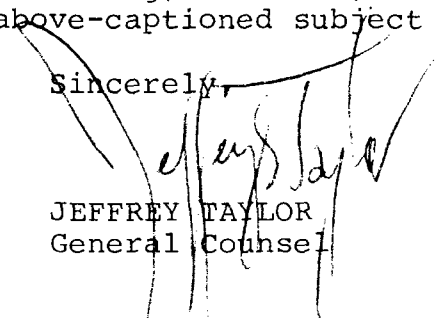
American Motorists Insurance Company  
1610 Wynkoop Street  
Suite 120  
Denver, Colorado 80202

Re: Inditos Well No. 1, located in  
Unit H of Section 15; Bullseye  
Well No. 2, located in Unit N  
of Section 18; Bullseye Well No.  
9, located in Unit O of Section  
18; Bullseye Well No. 8, located  
in Unit D of Section 19; all in  
Township 16 North, Range 9 West;  
and Bullseye A Well No. 2, located  
in Unit P of Section 13, Township  
16 North, Range 10 West, McKinley  
County  
Plugging Bond

Gentlemen:

Enclosed is a copy of the notice of publication for the  
Examiner Hearing to be held on Wednesday, August 12, 1987,  
at 8:15 a.m. in the Oil Conservation Division Conference  
Room, State Land Office Building, Santa Fe, New Mexico.  
Case 9187 concerns the above-captioned subject matter.

Sincerely,

  
JEFFREY TAYLOR  
General Counsel

JT/fd  
enc.

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
SANTA FE - NEW MEXICO

The State of New Mexico by its Oil Conservation Division hereby gives notice pursuant to law and Rules and Regulations of said Division promulgated thereunder of the following public hearing to be held at 8:15 A.M. on August 12, 1987, at the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico before Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner, both duly appointed for said hearing as provided by law:

STATE OF NEW MEXICO TO:

All named parties and persons  
having any right, title, interest  
or claim in the following cases  
and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

✓ CASE 9187:

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Evans Production Company, American Motorists Insurance Company and all other interested parties to appear and show cause why the five wells listed below should not be plugged and abandoned in accordance with a division-approved plugging program:

Inditos Well No. 1 located 2310 feet from the North line and 330 feet from the East line (Unit H) of Section 15, Township 16 North, Range 9 West;

Bullseye Well No. 2 located 540 feet from the South line and 1560 feet from the West line (Unit N) of Section 18, Township 16 North, Range 9 West;

Bullseye Well No. 9 located 330 feet from the South line and 1650 feet from the East line (Unit O) of Section 18, Township 16 North, Range 9 West;

Bullseye Well No. 8 located 330 feet from the North line and 990 feet from the West line (Unit D) of Section 19, Township 16 North, Range 9 West; and,

Bullseye A Well No. 2 located 990 feet from the South and East lines (Unit P) of Section 13, Township 16 North, Range 10 West, all in McKinley County.

These wells are located in an area approximately 14 miles north of Ambrosia Lake, New Mexico.

CASE 9188:

Application of Yates Petroleum  
Corporation for a unit agreement,  
Chaves County, New Mexico.

Applicant, in the above-styled cause, seeks approval of the North Chaves Unit Area comprising 8,600.11 acres, more or less, of State, Federal and Fee Lands in the eastern half of Township 5 South, Range 23 East. The middle of said acreage is approximately 7 miles southeast of Highway Junction US-285 and New Mexico 20.

CASE 9189:

Application of Ray Westall  
for salt water disposal,  
Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cherry Canyon formation in the perforated interval from approximately 3670 feet to 3720 feet in its Merland Well No. 1 located 990 feet from the South line and 1870 feet from the East line (Unit O) of Section 24, Township 22 South, Range 26 East, South Carlsbad Delaware Pool, said well is approximately 6.5 miles south of Black River Village, New Mexico.

CASE 9190:

Application of Robert L. Bayless  
for downhole commingling, Rio Arriba  
County, New Mexico.

Applicant, in the above-styled cause, seeks approval to commingle gas production from the Gallup and Pictured Cliffs formations in the wellbore of its Jicarilla 519 Well No. 1 located 790 feet from the South line and 1670 feet from the East line (Unit O) of Section 18, Township 20 North, Range 2

West, Jicarilla Apache Indian Reservation. Said Well is located approximately 2.5 miles west-northwest of Highway Junction US-64 and New Mexico 537.

CASE 9191:

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 in the Strawn and Atoka formations underlying the S/2 of Section 28, Township 16 South, Range 37 East, Undesignated Casey-Strawn, Undesignated West Casey-Strawn, and Undesignated Northeast Lovington-Pennsylvanian pools, forming a standard 80-acre oil spacing 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. Said location is approximately 6.5 miles east-southeast of Lovington, New Mexico.

CASE 9192:

Application of Terra Resources, Inc.  
for compulsory pooling and an unorthodox  
gas well location, Eddy County, New Mexico.

Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Diamond Mound Atoka-Morrow Gas Pool underlying the E/2 of Section 7, Township 16 South, Range 28 East, to form a standard 120-acre gas spacing and proration unit to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the North and East lines (Unit A) of said Section 7. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 1 mile east from the top of Diamond Mound.

Case 9193:

Application of Conoco Inc.  
for an unorthodox oil well

location, McKinley County,  
New Mexico.

Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1390 feet from the North line and 1720 feet from the West line (Unit F) of Section 9, Township 18 North, Range 10 West (which is approximately 2 miles northeast of Seven Lakes, New Mexico), to test the Entrada formation, the SE/4 NW/4 of said Section 9 to be dedicated to the well.

Case 9194:

Application of Pennzoil Company  
for approval of an unorthodox oil  
well location, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 2310 feet from the North line and 1650 feet from the East line (Unit G) of Section 16, Township 16 South, Range 37 East, undesignated Northeast Lovington-Pennsylvanian Pool, the S/2 NE/4 of said Section 16 to be dedicated to the well. Said location is approximately 1.4 miles south of Milepost 5.5 on New Mexico Highway No. 83.

CASE 9195

Application of Pennzoil Company  
for approval of an unorthodox oil  
well location, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1650 feet from the North line and 2100 feet from the West line (Unit F) of Section 16, Township 16 South, Range 37 East, Undesignated Northeast Lovington-Pennsylvanian Pool, the E/2 NW/4 of said Section 16 to be dedicated to the well. Said location is approximately 1.3 miles south of Milepost 5.5 on New Mexico Highway No. 83.

CASE 9196:

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider:

The creation of the following pool in Harding and Union Counties, New Mexico:

Bravo Dome Carbon Dioxide (640-acre) Gas Pool  
in Townships 18, 19, 20, and 21 North, Ranges  
33, 34, 35, and 36 East.

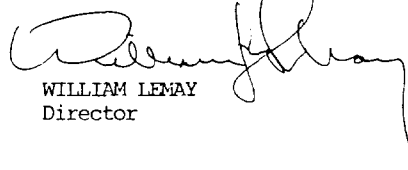
CFSE 9197:

Application of Marshall & Winston, Inc. for  
the amendment of Division Order No. R-8457,  
Lea County, New Mexico.

Division Order No. R-8457 issued in Case No. 9141 and pursuant to the provisions set forth by General Rule 1207.1(ii) on June 15, 1987 compulsorily pooled all mineral interests in the Abo formation underlying Lot 13 (Unit M) of Irregular Section 6, Township 21 South, Range 38 East (being approximately 1.2 miles east of Milepost 38 on New Mexico Highway No. 18), forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Applicant, in the above styled cause, now seeks the amendment of Order R-8457 changing the monthly overhead charges for supervision while drilling and producing said well to \$4,500.00 and \$450.00, respectively. All other provisions in said Order No. R-8457 shall remain in full force and effect. IF THERE ARE NO OBJECTIONS THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

GIVEN Under the Seal of the New Mexico Oil Conservation Commission at  
Santa Fe on this 22nd day of July, 1987.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM LEMAY  
Director

S E A L

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CH

PS Form 3811, May 1962 (4-1) 8-61

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Albuquerque, New Mexico 87107

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**ENERGY and MINERALS DEPARTMENT**

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