

Dockets Nos. 4-88 and 5-88 are tentatively set for February 3 and February 17, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 20, 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 David R. Catanach, Examiner or Michael E. Stogner, Alternate Examiner:

- CASE 9300: Application of Texaco Producing, Inc. 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 1350 feet from the South line and 2410 feet from the East line (Unit J) of Section 32, Township 16 South, Range 37 East, to test the Strawn Formation. This location is within one mile of the West Casey Strawn Pool (80-acre spacing); Shipp-Strawn Pool (80-acre spacing), and East Lovington Pennsylvanian Pool (40-acre spacing). The applicant proposes to dedicate the W/2 SE/4 of said Section 32 to this well if the Strawn formation is dedicated to a pool developed on 80-acre spacing, otherwise the NW/4 SE/4 of said Section 32 is to be dedicated to the well forming a standard 40-acre oil spacing unit. Said location is approximately 5.5 miles southeast of Lovington, New Mexico.
- CASE 9293: Application of Nearburg Producing Company for an Unorthodox Oil Well Location and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1150 feet from the South line and 1400 feet from the West line of Section 19, Township 16 South, Range 37 East, Northeast Lovington Pennsylvanian Pool, Lot 4 and the SE/4 SW/4 of said Section 19 to be dedicated to said well forming a non-standard 90.35-acre oil spacing and proration unit for said pool which is developed on 80-acre spacing. Said location is approximately 4.25 miles southeast of Lovington, New Mexico.
- CASE 9294: (This case will be continued to February 3, 1988.)
- Application of Nearburg Producing Company for an unorthodox gas well location and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 7, Township 19 South, Range 26 East, Undesignated Four Mile Draw-Morrow Gas Pool, Lots 1 and 2, the E/2 NW/4, and the NE/4 of said Section 7 to be dedicated to said well forming a non-standard 318.85 acre gas spacing and proration unit. Said location is approximately 11 miles south of Artesia, New Mexico.
- CASE 9285: (Continued from January 6, 1988, Examiner Hearing.)
- Application of Bettis Brothers, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North line and 860 feet from the East line (Unit A) of Section 8, Township 25 South, Range 29 East, to test the Delaware, Wolfcamp, Strawn, Atoka and Morrow formations, the N/2 of said Section 8 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately 8 miles southeast of Malaga, New Mexico.
- CASE 9295: (This case will be continued to February 3, 1988.)
- Application of Hixon Development Company for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations for the Gavilan-Mancos Oil Pool as promulgated by Division Order No. R-7407, as amended, to form a non-standard 320-acre oil spacing and proration unit comprising the E/2 of Section 26, Township 26 North, Range 2 West, to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles east-northeast of the Ojito Post Office.
- CASE 9296: Application of Sun Exploration and Production Company for compulsory pooling and a non-standard oil proration unit, 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 Lots 13 and 14 of Section 6, Township 16 South, Range 37 East, to form a non-standard 91.68-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is approximately 3 miles East of Lovington, New Mexico.
- CASE 9297: Application of Penroc Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the East Vacuum-Wolfcamp Pool in the perforated interval from approximately 9883 feet to 9927 feet in its State "AF" Well No. 3 located 1980 feet from the South line and 990 feet from the West line (Unit L) of Section 8, Township 18 South, Range 35 East, NMPM. This well is approximately 3 miles southeast of Buckeye, New Mexico.

CASE 9287: (Continued from January 6, 1988, Examiner Hearing.)

Application of Penroc Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Vacuum Grayburg-San Andres Pool in the perforated interval from approximately 4790 feet to 5086 feet in its George McGonagill Well No. 1 located 330 feet from the North line and 990 feet from the East line (Unit A) of Section 2, Township 18 South, Range 35 East. Said well is approximately 6 miles southeast of Buckeye, New Mexico.

CASE 9146: (Reopened)

Application of Marathon Oil Company for the amendment of Division Order No. R-8282, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-8282, as amended, which order compulsorily pooled all mineral interests from the surface to the base of the Siluro-Devonian formation underlying the SE/4 SE/4 of Section 14, Township 16 South, Range 38 East. Applicant now seeks an amendment to said order to include a provision pooling all mineral interests in the Siluro-Devonian formation underlying the S/2 SE/4 of said Section 14 to form an 80-acre spacing unit in the event of the approval of its pending pool creation request in Case No. 9145. (This unit is located approximately 3 miles south of the Old Hobbs Army Air Corps Auxiliary Airfield No. 1 on State Highway No. 132).

CASE 9288: (Continued from January 6, 1988, Examiner Hearing.)

Application of Primary Fuels, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the top of the Wolfcamp formation underlying the N/2 of Section 19, Township 22 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within this vertical extent, 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 approximately 5 miles Southwest of Carlsbad, New Mexico.

CASE 8371: (Reopened)

In the matter of Case No. 8371 being reopened pursuant to the provisions of Division Order No. R-7783, which promulgated temporary special rules and regulations for the Burton Flat-Upper Strawn Pool including a provision for 160-acre spacing units. Operators in the subject pool may appear and show cause why the Burton Flat-Upper Strawn Pool should not be developed on 40-acre proration units.

CASE 9129: (Readvertised)

Application of Virginia P. Uhden, Helen Orbesen, and Carroll O. Holmberg, for eight non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Pool as promulgated by Division Order No. R-7588, as amended, to form eight 160-acre non-standard gas spacing and proration units in Sections 28 and 33, Township 32 North, Range 10 West. This area encompasses Cedar Hill, New Mexico.

CASE 9299: Application of Jerome P. McHugh for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated West Puerto Chiquito-Mancos Oil Pool underlying all of Section 2, Township 23 North, Range 1 West, forming a standard 640-acre 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 the risk involved in drilling said well. Said unit is approximately 5 miles north of Regina, New Mexico.

CASE 9123: (Continued from December 16, 1987, Examiner Hearing.)

Application of Curtis J. Little for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the SE/4 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1-E, located 1850 feet from the South line and 800 feet from the East line (Unit I) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit.

Dockets Nos. 2-88 and 3-88 are tentatively set for January 20 and February 3, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 6, 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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for February, 1988, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for February, 1988, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9281:

Application of H. L. Brown, Jr. for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1650 feet from the North line and 330 feet from the East line (Unit H) of Section 28, Township 7 South, Range 37 East, Undesignated North Bluitt Siluro-Devonian Pool, the S/2 NE/4 of said Section 28 to be dedicated to the well forming a standard 80-acre spacing and proration unit for said pool. Said location is approximately 3 miles North of the Perkins Memorial Cemetery.

CASE 9282:

Application of Mobil Producing Texas and New Mexico Inc. for the expansion of the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the West Lindrith Gallup-Dakota Oil Pool to include all of Sections 6, 7, 8, and 9, Township 24 North, Range 2 West. Said area is approximately one-half mile north of Lindrith, New Mexico.

CASE 8874: (Reopened) (Continued from November 18, 1987, Examiner Hearing)

In the matter of Case 8874 being reopened pursuant to the provisions of Division Order No. R-639-C, which order reclassified the Crosby-Devonian Gas Pool in Lea County as an associated pool. Interested parties may 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 Nos. R-639, as amended, and R-8170, as amended.

CASE 9283:

Application of Nearburg Producing Company for compulsory pooling and unorthodox gas well location, 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 Mississippian formation underlying the E/2 of Section 15, Township 20 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at an unorthodox gas well location 1755 feet from the North line and 660 feet from the East line (Unit H) of said Section 15. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said proposed well is approximately 3 miles southeast of the townsite of Seven Rivers.

CASE 9277: (Continued from December 16, 1987, Examiner Hearing)

Application of Reading and Bates Company 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 all of Section 10, Township 25 North, Range 2 West, forming a standard 640-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 approximately 7 miles north of Lindrith, New Mexico.

CASE 9284:

Application of Enron Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Atoka formation underlying the N/2 of Section 17, Township 24 South, Range 35 East, forming a standard 320-acre gas spacing and proration unit for said formation, or pooling all mineral interests in the Morrow formation underlying all of said Section 17 forming a standard 640-acre gas spacing and proration unit in the Cinta Roja-Morrow Gas Pool for said formation, both units to be dedicated to a single well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 26 miles west of Jal, New Mexico.

CASE 9285: (This case will be continued to the January 20, 1987, Examiner Hearing.)

Application of Bettis Brothers, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North line and 860 feet from the East line (Unit A) of Section 8, Township 25 South, Range 29 East, to test the Delaware, Wolfcamp, Strawn, Atoka and Morrow formations, the N/2 of said Section 8 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately 8 miles southeast of Malaga, New Mexico.

CASE 9286:

Application of Curtis J. Little for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard oil spacing and proration unit comprising the S/2 NE/4 and N/2 SE/4 of Section 2, Township 25 North, Range 3 West, West Lindrith Gallup-Dakota Oil Pool, to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 1 mile west of the Ojito Post Office.

CASE 9276: (Continued from December 16, 1987, Examiner Hearing)

Application of Marathon Oil Company for an unorthodox gas well location and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 560 feet from the South line and 1550 feet from the West line (Unit N) of Section 20, Township 21 South, Range 24 East, Indian Basin-Morrow Gas Pool, all of said Section 20 to be dedicated to said well forming a non-standard 631.58-acre gas spacing and proration unit for said pool which is developed on 640-acre spacing. Said location is approximately 2.5 miles east of the Marathon Oil Company's Indian Basin Gas Plant.

CASE 9279: (Continued from December 16, 1987, Examiner Hearing)

Application of Texaco Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard gas spacing and proration unit comprising the E/2 SE/4 of Section 15, Township 17 South, Range 32 East, Undesignated Maljamar-Queen Gas Pool, to be dedicated to its Federal U.S.A. "C" Well No. 2 located at a standard gas well location 650 feet from the South line and 660 feet from the East line (Unit I) of said Section 15. Said well is located approximately 2 miles South-Southeast of Maljamar, New Mexico.

CASE 9287:

Application of Pearoc Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Vacuum Grayburg-San Andres Pool in the perforated interval from approximately 4790 feet to 5086 feet in its George McGonagill Well No. 1 located 330 feet from the North line and 990 feet from the East line (Unit A) of Section 2, Township 18 South, Range 35 East. Said well is approximately 6 miles southeast of Buckeye, New Mexico.

CASE 9288:

Application of Primry Fuels, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the top of the Wolfcamp formation underlying the N/2 of Section 19, Township 22 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within this vertical extent, 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 approximately 5 miles Southwest of Carlsbad, New Mexico.

CASE 9289:

Application of Foran Oil Company for compulsory pooling and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the following described acreage in Section 5, Township 16 South, Range 36 East, in the following described manner:

Lots 11 through 14 and SW/4 of Section 5 to form a 320-acre, more or less, gas spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 320-acre spacing; and

Lots 11 and 14 to form an 80-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing; and

Lot 14 to form a 40-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.

All of the above described units are to be dedicated to a well to be drilled at an unorthodox well location 3950 feet from the North line and 1550 feet from the West line (Unit K) of said Section 5. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is approximately one-half mile West of Lovington, New Mexico.

CASE 9290:

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 underlying the following described acreage in Section 8, Township 16 South, Range 37 East, in the following described manner:

W/2 SW/4 to form an 80-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing; and

NW/4 SW/4 to form a 40-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.