

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 1) 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. 5-88 and 6-88 are tentatively set for February 17 and March 2, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 3, 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 March, 1988, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for March, 1988, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9301: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Echols State Unit Area comprising 1440 acres, more or less, of State lands in Township 11 South, Range 38 East. Said area is located approximately 8 miles north of Milepost 241 on U.S. Highway 380.

CASE 9295: (Continued from January 20, 1988, Examiner Hearing)

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 9302: Application of Curtis J. Little Oil & Gas for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil spacing and proration unit comprising the SW/4 NE/4 and the SE/4 NW/4 of Section 1, Township 25 North, Range 3 West, West Lindrieth Gallup-Dakota Oil Pool, to be dedicated to its Hurt Federal Well No. 1 located 2900 feet from the North line and 1650 feet from the East line (Unit G) of said Section 1. Said unit is located approximately 1/4 mile west of the Ojito Post Office.

CASE 9303: 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 Undesignated Mid Vacuum-Devonian Pool in the open hole interval from 11,837 feet to 12,000 feet in its State "AF" Well No. 2 located 330 feet from the South line and 2130 feet from the East line (Unit O) of Section 8, Township 18 South, Range 35 East. Said well is located approximately 4 miles south-southeast of Buckeye, New Mexico.

CASE 9304: Application of Pennzoil Company 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 1980 feet from the South line and 990 feet from the East line (Unit I) of Section 22, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool, the N/2 SE/4 of said Section 22 to be dedicated to the well forming a standard 80-acre spacing and proration unit for said pool. In addition, applicant requests that the order entered in the subject case replace Division Order No. R-8555 which compulsorily pooled the E/2 SE/4 of said Section 22. Said well is located approximately 2.75 miles South of New Mexico Milepost 7 on New Mexico Highway No. 83.

CASE 9289: (Continued and Readvertised)

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 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 12 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 11 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: (Continued from January 6, 1988, 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 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.

All of the above-described units are to be dedicated to a well to be drilled at a standard 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 9288: (Continued from January 20, 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 9305: Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the NW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-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 5 miles northwest of Lindrith, New Mexico.

CASE 9306: Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the SW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-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 5 miles northwest of Lindrith, New Mexico.

CASE 9285: (Continued from January 20, 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 9293: (Continued from January 20, 1988, Examiner Hearing)

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.

Dockets Nos. 7-88 and 8-88 are tentatively set for March 2 and March 16, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 17, 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 9308:

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 23, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the S/2 of said Section 23 to be dedicated to the well. Said location is approximately 4.5 miles east-northeast from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9309:

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the North line and 1980 feet from the East line of Section 34, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the N/2 of said Section 34 to be dedicated to the well. Said location is approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9310:

Application of Sun Exploration and 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 either the base of the Morrow formation or to a depth of 13,700 feet, whichever is deeper, underlying the N/2 of Section 26, Township 18 South, Range 33 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools with this vertical extent being developed on 320-acre spacing, 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 location is approximately 6 miles west of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 9295: (Continued from February 3, 1988, Examiner Hearing.)

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 8371: (Continued and Readvertised)

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, Eddy County, New Mexico, 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: (Continued and Readvertised)

Application of Virginia P. Uhden, Helen Orbesen, and Carroll O. Holmberg to vacate Division Order Nos. R-7588 and R-7588-A, and/or for the formation of six 160-acre gas proration units, San Juan County, New Mexico. Applicants, in the above-styled cause, seek an order vacating the 320-acre spacing provisions of Order Nos. R-7588 and R-7588-A as to applicants from February 1, 1984 through the date notice of 320-acre spacing was provided to applicants, and/or the formation of six 160-acre gas spacing and proration units for said pool in the W/2 of Section 33 and all of Section 28, Township 32 North, Range 10 West. This area encompasses Cedar Hill, New Mexico.

CASE 9305: (Continued from February 3, 1988, Examiner Hearing.)

Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the NW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-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 5 miles northwest of Lindrith, New Mexico.

CASE 9306: (Continued from February 3, 1988, Examiner Hearing)

Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the SW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-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 5 miles northwest of Lindrith, New Mexico.

CASE 9311:

Application of Texaco Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the adoption of special pool rules for the Monument-Abo Pool in Townships 19 and 20 South, Ranges 36 and 37 East, establishing a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil. Said pool is within an area located approximately 2.25 miles west-southwest of Monument, New Mexico.

CASE 9294: (Continued and Readvertised)

Application of Nearburg Producing Company for compulsory pooling, unorthodox gas well location, and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Four Mile Draw-Morrow Gas Pool underlying Lots 1 and 2, the E/2 NW/4, and the NE/4 of Section 7, Township 19 South, Range 26 East, to form a non-standard 318.85-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at an unorthodox location 1980 feet from the North line and 660 feet from the West line (Unit E) 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 11 miles south of Artesia, New Mexico.

CASE 9312:

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 to be drilled 1000 feet from the South and West lines (Unit M) of irregular Section 19, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool, Lot 4 of said Section 19 to be dedicated to said well forming a non-standard 50.35-acre oil spacing and proration unit for said pool. Said location is approximately 4.25 miles southeast of Lovington, New Mexico.

CASE 9313:

Application of Nearburg Producing Company for a non-standard oil proration unit and 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 1300 feet from the South line and 400 feet from the West line (Unit M) of irregular Section 7, Township 17 South, Range 38 East, Undesignated South Humble City-Strawn Pool, Lots 3 and 4 of said Section 7 to be dedicated to the well forming a non-standard 75.59-acre oil spacing and proration unit for said pool. Said location is approximately 3.5 miles north-northeast of Humble City, New Mexico.

CASE 9314:

Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to re-enter and deepen the Santa Fe Exploration Company Gulf Com. Well No. 1 located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 14, Township 20 South, Range 25 East, to test the Morrow formation. Said well is located approximately 5.5 miles west by south of Seven Rivers, New Mexico.

CASE 9315:

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting the vertical limits, and extending certain pools in Chaves and Lea Counties, New Mexico:

(a) Create a new pool in Chaves County, New Mexico, classified as an oil pool for Devonian production and designated as the Graham Springs-Devonian Pool. The discovery well is the Bell, Foy & Middlebrook, Ltd. Culp Ranch Well No. 1 located in Unit C of Section 11, Township 12 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 30 EAST, NMPM
Section 11: NW/4

(b) Create a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Lane-Abo Pool. The discovery well is the Bright & Company State K Well No. 2 located in Unit A of Section 2, Township 10 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 2: NE/4

(c) Contract the vertical limits of the East Lovington-Pennsylvanian Pool to include only the Cisco and Canyon formations and to redesignate said pool as the East Lovington-Upper Pennsylvanian Pool.

CASE 9330: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 13, Township 20 South, Range 29 East, to test the Undesignated East Burton Flat-Strawn Gas Pool, the Undesignated Getty-Morrow Gas Pool, and the Cisco, Canyon, and Atoka formations, the W/2 of said Section 13 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said zones. Said location is approximately 3.5 miles North-Northwest of the junction of U.S. Highway 62/180 and State Highway 31.

CASE 9318: (Continued from March 2, 1988, Examiner Hearing)

Application of Yates Drilling Company for a secondary recovery project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a secondary recovery project by the injection of water into the Queen formation in its proposed Cactus Queen Unit Area (Division Case No. 9319) underlying portions of Sections 26, 27, 34, and 35, Township 12 South, Range 31 East, Southeast Chaves Queen Gas Area Associated Pool, (which is an area that straddles State Highway No. 172 between Milepost Nos. 26.5 and 27.5).

CASE 9319: (Continued from March 2, 1988, Examiner Hearing)

Application of Yates Drilling Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the Southeast Chaves Queen Gas Area Associated Pool underlying 560 acres, more or less, of State, Federal, and Fee lands in portions of Sections 26, 27, 34, and 35, Township 12 South, Range 31 East. Said area straddles State Highway No. 172 between Milepost Nos. 26.5 and 27.5. Said unit is to be designated the Cactus Queen Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of the credits and charges to be made among the various owners in the unit area for their investment in well and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 9295: (Continued from February 17, 1988, Examiner Hearing)

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 Cavilan-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 9310: (Readvertised)

Application of Sun Exploration and 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 either the base of the Morrow formation or to a depth of 13,700 feet, whichever is deeper, underlying the following described acreage in Section 26, Township 18 South, Range 33 East, 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 within said vertical limits developed on 320-acre spacing;

The S/2 NW/4 to form a standard 80-acre oil spacing and proration unit in the Undesignated EK-Bone Spring Pool; and

The SE/4 NW/4 to form a statewide standard 40-acre 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 a standard location in the SE/4 NW/4 (Unit F) of said Section 26.

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 miles west of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

Dockets Nos. 10-88 and 11-88 are tentatively set for March 30 and April 13, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 16, 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:

ALLOWABLE: 1. Consideration of the allowable production of gas for April, 1988, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.

2. Consideration of the allowable production of gas for April, 1988, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9328: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Division Order No. R-3221, which prohibits disposal of water produced in conjunction with the production of oil or gas on the surface of the ground, or in any other place or manner which will constitute a hazard to fresh water supplies in the area encompassed by Lea, Eddy, Chaves, and Roosevelt Counties, to adopt standardized procedures for hearing such applications.

CASE 9322: (Continued from March 2, 1988, Examiner Hearing)

Application of Metex Pipe and Supply for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its State "P" Well No. 3 to be drilled 100 feet from the North line and 1520 feet from the East line (Unit B) of Section 24, Township 21 South, Range 34 East, Wilson Yates-Seven Rivers Pool, the NW/4 NE/4 of said Section 24 to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said location is approximately 1 mile south of NM 176 at Milepost 27.4

CASE 9308: (Continued from March 2, 1988, Examiner Hearing)

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 23, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the S/2 of said Section 23 to be dedicated to the well. Said location is approximately 4.5 miles east-northeast from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9309: (Continued from March 2, 1988, Examiner Hearing)

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the North line and 1980 feet from the East line of Section 34, Township 2 South, Range 29 East, to test all formations and/or pools developed on 320-acre spacing from the surface to the base of the Ordovician System, the N/2 of said Section 34 to be dedicated to the well. Said location is approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9321: (Continued from March 2, 1988, Examiner Hearing)

Application of Marshall Pipe and Supply Company for compulsory pooling, Roosevelt 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 N/2 of Section 34, Township 2 South, Range 29 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing. Said well is to be drilled at a proposed unorthodox gas well location (to be considered in Case 9309) 330 feet from the North line and 1980 feet from the East line (Unit B) of said Section 34. 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 location is approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9329: Application of Yates Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 26, Township 9 South, Range 26 East, to test all formations and/or pools developed on 320-acre spacing from the base of the Abo formation to the base of the Montoya formation, the N/2 of said Section 26 to be dedicated to said well. Said location is approximately 7.75 miles Southeast by East of the Pecos River Bridge on U.S. Highway 70.

Dockets Nos. 11-88 and 12-88 are tentatively set for April 13 and April 27, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 30, 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 9351: Application of TXO Production Corporation for an amendment to Division Order No. R-8570, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8570, dated December 22, 1987, which order authorized the applicant to pool all mineral interests in the Shipp-Strawn Pool underlying Lot 1 and the SE/4 NE/4 of Section 4, Township 17 South, Range 37 East, thereby forming a standard 80.95-acre oil spacing and proration unit to be dedicated to the existing Mesa Petroleum Company Hightower Well No. 1 to be re-entered, directionally drilled, and deepened to a standard subsurface location in said unit, by including a provision in the Order to allow the drilling of a new well at a standard location in said unit if re-entry into the Hightower Well No. 1 is found to be impractical. Said acreage is located approximately 8 miles southeast of Lovington, New Mexico. IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVERTISEMENT.

CASE 9318: (Continued from March 16, 1988, Examiner Hearing)

Application of Yates Drilling Company for a secondary recovery project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a secondary recovery project by the injection of water into the Queen formation in its proposed Cactus Queen Unit Area (Division Case No. 9319) underlying portions of Sections 26, 27, 34, and 35, Township 12 South, Range 31 East, Southeast Chaves Queen Gas Area Associated Pool, (which is an area that straddles State Highway No. 172 between Milepost Nos. 26.5 and 27.5).

CASE 9319: (Continued from March 16, 1988, Examiner Hearing)

Application of Yates Drilling Company for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the Southeast Chaves Queen Gas Area Associated Pool underlying 560 acres, more or less, of State, Federal, and Fee lands in portions of Sections 26, 27, 34, and 35, Township 12 South, Range 31 East. Said area straddles State Highway No. 172 between Milepost Nos. 26.5 and 27.5. Said unit is to be designated the Cactus Queen Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of the credits and charges to be made among the various owners in the unit area for their investment in well and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including, but not necessarily limited to, unit voting procedures, selection, removal, or substitution of unit operator, and time of commencement and termination of unit operations.

CASE 9295: (Continued from March 16, 1988, Examiner Hearing)

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 9306: (Reopened)

Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the SW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-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 5 miles northwest of Lindrith, New Mexico.

CASE 9335: Application of Sun Exploration and 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 either the base of the Morrow formation or to a depth of 13,700 feet, whichever is deeper, underlying the N/2 of Section 33, Township 19 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, 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. The southeast corner of said unit is located on U.S. Highway 62/180 at N.M. Milepost No. 79.

CASE 9326: (Continued from March 16, 1988, Examiner Hearing)

Application of Sun Exploration and Production 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 26, Township 26 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit in said pool. Said unit is to be dedicated to the Sun Exploration and Production Company Wildfire Well No. 1 located 900 feet from the South line and 1650 feet from the West line (Unit N) of said Section 26 which is presently completed in and producing from the Gavilan-Mancos Oil Pool. Also to be considered will be the method for cost allocation and participation thereof as well as actual operating costs and charges for supervision. Applicant further requests that Sun Exploration and Production Company remain as operator of the well and that the effective date of any order issued in the case be retroactive to June 8, 1987. Said well is located approximately 4.5 miles east-northeast of the Ojito Post Office.

CASE 9336: Application of Barbara Fasken for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to either the base of the Morrow formation or to a depth of 13,950 feet, whichever is deeper, underlying Lots 1 through 4 and the E/2 W/2 of Section 31, Township 19 South, Range 34 East, forming a non-standard 324.16-acre gas spacing and proration unit for any and all formations and/or pools within this vertical extent being developed on 320-acre spacing, 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 one mile North of N.M. Milepost 76 of U.S. Highway 62/180.

CASE 8949: (Reopened)

In the matter of Case 8949 being reopened pursuant to the provisions of Division Order No. R-8279, which order, in part, promulgated temporary special rules and regulations for the South Shoe Bar-Devonian Pool in Lea County, New Mexico, including a provision for 80-acre spacing units. Operators in the subject pool may appear and show cause why the South Shoe Bar-Devonian Pool should not be developed on 40-acre spacing units. Said pool is located approximately 6 miles Southwest by South of Lovington, New Mexico.

CASE 9337: Application of Mobil Producing Texas & New Mexico, Inc. 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 Vacuum-Devonian Pool in the open hole interval from approximately 11,950 feet to 13,708 feet in its State Section "27" Well No. 2 located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 27, Township 18 South, Range 35 East. Said well is approximately 2 miles south-southeast of junction of New Mexico State Highways Nos. 8 and 529.

CASE 9338: Application of ARCO Oil and Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Basin-Dakota Pool with oil production from the Undesignated Kutz-Gallup Oil Pool in the wellbore of its Schlosser "WN" Federal Well No. 2R, located 1835 feet from the South line and 1720 feet from the West line (Unit K) of Section 3, Township 27 North, Range 11 West. Said well is located approximately 7.5 miles south of Bloomfield, New Mexico.

CASE 9339: Application of ARCO Oil and Gas Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Basin-Dakota Pool with oil production from the Kutz-Gallup Oil Pool in the wellbore of its Schlosser "WN" Federal Well No. 1R, located 1850 feet from the North line and 790 feet from the West line (Unit E) of Section 10, Township 27 North, Range 11 West. Said well is located approximately 8.5 miles south of Bloomfield, New Mexico.