

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 9636: (Continued from April 12, 1989, Examiner Hearing.)

Application of Grand Resources Inc. for statutory unitization, San Juan 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 designated and Undesignated Mesa-Gallup Oil Pool underlying 4800.00 acres, more or less, of Navajo Indian lands in all or portions of Sections 10, 13, 14, 15, 23, 24 and 25, Township 32 North, Range 18 West and Section 30, Township 32 North, Range 17 West, all as projected into the unsurveyed Navajo Indian Reservation. Said unit is to be designated the Mesa-Gallup 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 credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any nonconsenting working interest owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 12 miles north of Shiprock, New Mexico.

CASE 9637: (Continued from April 12, 1989, Examiner Hearing.)

Application of Grand Resources Inc. for a waterflood project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the designated and Undesignated Mesa-Gallup Oil Pool in its proposed Mesa-Gallup Unit Area (Division Case No. 9636) underlying all or portions of Sections 10, 13, 14, 15, 23, 24 and 25, Township 32 North, Range 18 West and Section 30, Township 32 North, Range 17 West, all as projected into the unsurveyed Navajo Indian Reservation. Said area is located approximately 12 miles north of Shiprock, New Mexico.

CASE 9660: Application of Mobil Producing Texas and New Mexico Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Blinbry and Drinkard Pools within the wellbore of its Brunson-Argo Well No. 6 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10, Township 22 South, Range 37 East. Said well is located approximately 2 miles south of Eunice, New Mexico.

CASE 9311: (Reopened)

In the matter of Case 9311 being reopened pursuant to the provisions of Division Order No. R-8614, which promulgated temporary special rules and regulations for the Monument-Abo Pool, Lea County, New Mexico, establishing a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil. Operators in the subject pool may appear and show cause why the Monument-Abo Pool should not be governed by the statewide rule limiting gas-oil ratio of 2,000 cubic feet of gas per barrel of oil.

CASE 9661: Application of Hixon Development Company for an unorthodox oil well location and simultaneous dedication, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 330 feet from the South line and 2310 feet from the West line (Unit N) of Section 35, Township 25 North, Range 3 West, West Lindrith Gallup-Dakota Oil Pool, the SW/4 of said Section 35, forming a 160-acre oil spacing and proration unit for said pool, to be simultaneously dedicated to the above described well and to the existing Missy Well No. 2 located 1650 feet from the South and West lines (Unit K) of said Section 35. Said location is approximately 3 miles northwest by west of Lindrith, New Mexico.

CASE 9662: Application of Chuska Energy Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1440 feet from the North line and 630 feet from the East line (Unit H) of Section 21, Township 31 North, Range 18 West, as projected into the unsurveyed Navajo Indian Reservation, to test the Undesignated Cone-Paradox Oil Pool. The SE/4 NE/4 of said projected Section 21 is to be dedicated to said well forming a standard Statewide 40-acre oil spacing and proration unit for said pool. Said well location is approximately 8 miles north-northwest of Shiprock, New Mexico.