

Examiner Hearing - Wednesday - March 30, 1988

CASE 9340: Application of Union Oil Company of California d/b/a/ Unocal for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Gallup formation (Undesignated Largo-Gallup Gas Pool, Undesignated South Blanco-Tocito Oil Pool, or the undesignated Gallup formation) and Basin-Dakota Pool (prorated gas) underlying Sections 1 and 2, Township 26 North, Range 7 West. Said area is located approximately 2.5 miles north-northeast of the El Paso Natural Gas Company Largo Station.

CASE 9341: Application of Enron Oil & Gas Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to re-enter the Amoco Production Company Teledyne 4 Gas Well No. 1 located at an unorthodox gas well location 660 feet from the South line and 330 feet from the East line (Unit P) of Section 4, Township 23 South, Range 29 East, to test the Undesignated Laguna Salado-Atoka Gas Pool, the S/2 of said Section 4 to be dedicated to the well. Said location is approximately 1.5 miles southeast of the junction of New Mexico Highways Nos. 31 and 128.

CASE 9325: (Continued from March 2, 1988, Examiner Hearing)

Application of Enron Oil & Gas Company for amendment of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend the special pool rules promulgated by Division Order No. R-3161 for the Cinta Roja Morrow Gas Pool in Township 24 South, Range 35 East, to include a provision for 320-acre infill drilling and appropriate findings relative thereto. Said pool is located approximately 6 miles south-southeast of the San Simon Sink.

CASE 9333: (Continued from March 16, 1988, Examiner Hearing)

Application of Terra Resources, Inc. for compulsory pooling, unorthodox gas well location, and an exception to special pool rules, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow Formation underlying the N/2 of Section 22, Township 15 South, Range 27 East, Undesignated Buffalo Valley-Pennsylvanian Gas Pool, 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 an unorthodox gas well location 1650 feet from the North line and 660 feet from the East line (Unit H) of said Section 22. Applicant further seeks exception to the special rules for the Buffalo Valley-Pennsylvanian Gas Pool for the completion of its well in the NE/4 of Section 22 at said unorthodox location. 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 location is approximately 10 miles Southeast of Hagerman, New Mexico.

CASE 9350: Application of Amerind Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit for production from the Strawn and Atoka formations comprising the SE/4 NE/4 and NE/4 SE/4 of Section 2, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, Undesignated Humble City-Strawn Pool, and Undesignated Humble City-Atoka Pool, said unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles north of Humble City, New Mexico.

CASE 9342: Application of the Petroleum Corporation of Delaware for simultaneous dedication and to amend Division Administrative Order No. NSP-1290, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Administrative Order No. NSP-1290, dated April 28, 1982, which Order authorized a 299.84, more or less, non-standard gas spacing and proration unit for the East Burton Flat-Morrow Gas Pool comprising Lots 6 and 7, the E/2 SW/4, and the SE/4 of Section 6, Township 20 South, Range 29 East, to include the East Burton Flat-Strawn Gas Pool. Applicant further seeks authorization to simultaneously dedicate the production from both pools within said non-standard gas proration units to the existing dually completed Superior Federal Well. No. 6 located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 6 and to the proposed Superior Federal Well No. 7 to be drilled at a standard location within the SE/4 of said Section 6. Said unit is located approximately 7.5 miles northwest of the junction of New Mexico Highway No. 31 North and U.S. 62/180.

CASE 9343: Application of Mesa Grande Resources, Inc. for compulsory pooling and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 15, Township 25 North, Range 2 West, forming a standard 320-acre oil spacing and proration unit for the Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pool. Applicant further seeks an order pooling all mineral interests in the Gallup formation underlying the aforementioned acreage, thereby forming a non-standard 320-acre oil spacing and proration unit for the Gavilan-Mancos Oil Pool. Both units are to be dedicated to a single well to be drilled at a location which satisfies the standard location requirements for both pools. 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 6.25 miles north of Lindrith, New Mexico.

CASE 9344: Application of Nanco, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Pictured Cliffs Pool underlying the SW/4 of Section 15, Township 25 North, Range 2 West, forming a standard 160-acre gas spacing and proration unit, to be dedicated to its Locer Well No. 2 located at a standard gas well location for said pool, 1725 feet from the South line and 1799 feet from the West line (Unit K) 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 well is located approximately 6 miles north of Lindrith, New Mexico.

CASE 9345: Application Nanco, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Pictured Cliffs Pool underlying the NW/4 of Section 15, Township 25 North, Range 2 West, forming a standard 160-acre gas spacing and proration unit, to be dedicated to its Locer Well No. 1 located at a standard gas well location 933 feet from the North line and 1676 feet from the West line (Unit C) 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 well is located approximately 6.5 miles of Lindrith, New Mexico.

CASE 9346: Application of Read & Stevens, Inc. for termination of gas prorationing cancellation of overproduction, and emergency relief from shut-in requirements, BuffaloValley-Pennsylvanian Gas Pool, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order terminating gas prorationing and for cancellation of overproduction in the Buffalo Valley-Pennsylvanian Gas Pool located in portions of Townships 14 and 15 South, Ranges 27 and 28 East. Applicant further requests emergency relief from shut-in requirements due to overproduction for its Harris Federal Wells Nos. 8 and 9 located in Unit F of Sections 26 and 23, respectively, of Township 15 South, Range 27 East, and for any additional relief as the Division may deem necessary in this matter. Both wells are located in an area approximately 10.5 miles southeast by south of Hagerman, New Mexico.

CASE 9272: (Continued from March 16, 1988, Examiner Hearing)

In the matter of Case No. 9272 being reopened upon application of Arco Oil and Gas Company to reconsider the provisions of Division Order No. R-8579, issued in said Case No. 9272, which granted the application of Mitchell Energy Corporation to compulsorily pool all mineral interests below the top of the Wolfcamp formation underlying the following described acreage in Section 3, Township 15 South, Range 35 East, Lea County, New Mexico, and in the following described manner:

Lots 1 through 4 and S/2 N/2 to form a non-standard 324.7-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;

Lots 3 and 4 to form a non-standard 82.8-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;

Lot 3 to form a non-standard 41.3-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.

Dockets Nos. 13-88 and 14-88 are tentatively set for April 27 and May 11, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 13, 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 May, 1988, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for May, 1988, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9318: (Continued from March 30, 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 30, 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 9352: Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1980 feet from the North line and 330 feet from the West line (Unit E) of Section 11, Township 20 South, Range 25 East, Undesignated Cemetery-Morrow Gas Pool, the W/2 of said Section 11 to be dedicated to the well. Said location is approximately 2.4 miles west by south of Seven Rivers, New Mexico.

CASE 9350: (Continued from March 30, 1988, Examiner Hearing)

Application of Amerind Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit for production from the Strawn and Atoka formations comprising the SE/4 NE/4 and NE/4 SE/4 of Section 2, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, Undesignated Humble City-Strawn Pool, and Undesignated Humble City-Atoka Pool, said unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles north of Humble City, New Mexico.

CASE 9117: (Reopened)

In the matter of Case 9117 being reopened pursuant to the provisions of Division Order No. R-8443, which order promulgated temporary special rules and regulations for the Bell Lake-Cherry Canyon 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 Bell Lake-Cherry Canyon Pool should not be developed on 40-acre spacing units. The center of said pool is located on the Delaware Basin Road approximately 3.25 miles north of New Mexico Highway 128.

CASE 9335: (Continued from March 30, 1988, Examiner Hearing)

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 9353: Application of Read & Stevens, Inc. 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 East lines (Unit A) of Section 19, Township 19 South, Range 29 East, Undesignated Turkey Track-Morrow Gas Pool or Undesignated West Parkway-Morrow Gas Pool, the E/2 of said Section 19 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for either pool. Said location is approximately 7.5 miles southeast by east of the old Illinois Camp.

CASE 9354: Application of Santa Fe Energy Operating Partners, L.P. for the expansion of the North Hume-Wolfcamp Pool and the amendment of Division Order No. R-8476, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-8476, which promulgated 80-acre spacing in the North Hume-Wolfcamp Pool comprising portions of Townships 15 and 16 South, Ranges 33 and 34 East, to provide for 160-acre spacing and proration units. Applicant further seeks the extension of said North Hume-Wolfcamp Pool to include the SE/4 of Section 35, Township 15 South, Range 33 East, and the SE/4 and Lots 9, 10, 15, and 16 of Section 5, Township 16 South, Range 34 East. This area is located approximately 3 miles northwest of the junction of U.S. Highway 82 and New Mexico Highway 457.

CASE 9272: (Continued from March 30, 1988, Examiner Hearing)

In the matter of Case No. 9272 being reopened upon application of ARCO Oil and Gas Company to reconsider the provisions of Division Order No. R-8579, issued in said Case No. 9272, which granted the application of Mitchell Energy Corporation to compulsorily pool all mineral interests below the top of the Wolfcamp formation underlying the following described acreage in Section 3, Township 15 South, Range 35 East, Lea County, New Mexico, and in the following described manner:

Lots 1 through 4 and S/2 N/2 to form a non-standard 324.7-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;

Lots 3 and 4 to form a non-standard 82.8-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;

Lot 3 to form a non-standard 41.3-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 were to be dedicated to a single well to be drilled at a location (either standard or non-standard, depending on the appropriate spacing rules applicable to this well's completion horizon[s]) 660 feet from the North line and 1830 feet from the West line (Unit C) of said Section 3. Said order also considered 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 5 miles west-southwest of Hillburn City, New Mexico.

CASE 9331: (Readvertised)

Application of Phillips Petroleum Company for a non-standard gas proration unit and unorthodox gas well location, Lea 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 22, Township 17 South, Range 35 East, to test the South Shoe Bar-Atoka Gas Pool and the Morrow formation, said well to be dedicated either to a 160-acre non-standard gas proration and spacing unit consisting of the N/2 SW/4 and W/2 NW/4 of said Section 22, or in the alternative, to an 80-acre non-standard gas proration and spacing unit consisting of the W/2 NW/4 of said Section 22. Said location is approximately 3.5 miles northeast by east of Buckeye, New Mexico.

CASE 9361: Application of Primary Fuels, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the SE/4 SW/4 of Section 31, Township 18 South, Range 39 East, forming a standard statewide 40-acre oil spacing and proration unit, 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 2.25 miles east of the intersection of Marland Blvd. and Dal Paso St. in Hobbs, New Mexico.

CASE 9325: (Continued from March 30, 1988, Examiner Hearing)

Application of Enron Oil & Gas Company for amendment of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend the special pool rules promulgated by Division Order No. R-3161 for the Cinta Roja Morrow Gas Pool in Township 24 South, Range 35 East, to include a provision for 320-acre infill drilling and appropriate findings relative thereto. Said pool is located approximately 6 miles south-southeast of the San Simon Sink.

CASE 9350: (Continued from April 13, 1988, Examiner Hearing)

Application of Amerind Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit for production from the Strawn and Atoka formations comprising the SE/4 NE/4 and NE/4 SE/4 of Section 2, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, Undesignated Humble City-Strawn Pool, and Undesignated Humble City-Atoka Pool, said unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles north of Humble City, New Mexico.

CASE 9362: Application of Meridian Oil Inc. for the extension of the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool and the concomitant contraction of the Mount Nebo-Fruitland Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool to include any and all coal zones of the Fruitland formation, from approximately 2,579 feet to 2,878 feet, in Sections 3 through 6, Township 31 North, Range 10 West, and Sections 19 through 22 and 27 through 34, Township 32 North, Range 10 West. Applicant also seeks the concomitant contraction of said zones from the Mount Nebo-Fruitland Pool. Said area consists of 16 square miles in the form of a square centered approximately 5.5 miles east by north of Cedar Hill, New Mexico.

CASE 9363: Application of Anadarko Petroleum Corporation for the amendment of the special rules and regulations for the Foster-San Andres Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the amendment of the Special Rules and Regulations of the Foster-San Andres Pool as promulgated by Division Order No. R-8113, as amended, to increase the gas-oil ratio limitation to 20,000 cubic feet of gas to one barrel of oil, retroactive to March 1, 1988. Said pool is in an area located approximately 3 miles east of the intersection of Marland Blvd. and Dal Paso St. in Hobbs, New Mexico.

CASE 9364: Application of Anadarko Petroleum Corporation for the amendment of Division Order No. R-7773, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7773 to increase the surface injection limitation pressure for ten certain injection wells in its Ballard GSA Unit Waterflood Project to 450 psi above the formation parting pressure as determined from step-rate tests for said ten injection wells in the Grayburg formation of the Loco Hills Pool within the project area consisting of a portion of Sections 4, 6, 7, 17, and all of Sections 5 and 8, Township 18 South, Range 29 East. Said project area is located approximately 8 miles west-southwest of Loco Hills, New Mexico.

CASE 9365: Application of Hanley Petroleum Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 990 feet from the South line and 330 feet from the West line (Unit M) of Section 10, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, the W/2 SW/4 of said Section 10 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for either pool. Said location is approximately 3.8 miles Northwest by North of Humble City, New Mexico.

CASE 9366: Application of Exxon Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 990 feet from the South line and 330 feet from the East line (Unit P) of Section 9, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, the E/2 SE/4 of said Section 9 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 3.8 miles Northwest by North of Humble City, New Mexico.

Dockets Nos. 14-88 and 15-88 are tentatively set for May 11 and May 25, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 27, 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 9356: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider amending the "Special Rules For Applications For Wellhead Price Ceiling Category Determinations," pursuant to the Natural Gas Policy Act of 1978 (NGPA), as promulgated by Division Order No. R-5878-B, as amended, by revising Forms C-132 and C-132-A to reflect the Department name change.

CASE 9357: Application of El Ran, Inc. for a unit agreement, Chaves and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Chaveroo San Andres Unit Area comprising 1,120 acres, more or less, of Federal and Fee lands underlying all or portions of Sections 34 and 35, Township 7 South, Range 32 East, and Sections 3 and 10, Township 8 South, Range 32 East. This area is located on the Chaves and Roosevelt County line and 20 miles south of Elida, New Mexico.

CASE 9358: Application of El Ran, Inc. for the reclassification of a pressure maintenance project to a waterflood project and for waterflood expansion, Chaves and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks to reclassify the El Ran Chaveroo Pressure Maintenance Project (Division Order No. R-7044) to a waterflood project and to expand said project to include the area underlying the proposed Chaveroo San Andres Unit Area comprising all or portions of Sections 34 and 35, Township 7 South, Range 32 East, and Sections 3 and 10, Township 8 South, Range 32 East. Applicant also seeks to expand said project by including 13 additional injection wells into the San Andres formation. Said area is located on the Chaves and Roosevelt County line and 20 miles south of Elida, New Mexico.

CASE 9318: (Continued from April 13, 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 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 April 13, 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 9359: Application of Dugan Production Corporation for a non-standard oil proration unit, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations for the Rio Puerco-Mancos Oil Pool as promulgated by Division Order No. R-7471, as amended, to form a 160-acre non-standard oil spacing and proration unit for said pool comprising the NW/4 of Section 25, Township 21 North, Range 4 West, to be dedicated to the existing Husky Federal Well No. 2 located at a standard location 990 feet from the North and West lines (Unit D) of said Section 25. Said well is located approximately 3.25 miles south of Milepost 75 on New Mexico Highway No. 44.

CASE 9360: Application of Pennzoil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/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. Said unit is located on U.S. Highway 62/180 at N.M. Milepost No. 79.

CASE 9376: Application of Nearburg Producing Company to amend Division Order No. R-8605 and the assignment of an oil allowable retroactive to April 1, 1988, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8605, dated March 8, 1988, by changing the non-standard oil proration unit to include Lots 3 and 4 of Section 19, Township 16 South, Range 37 East, to be dedicated to its Soledad "19M" Well No. 1 located at an unorthodox location 1000 feet from the South and West lines of said Section 19 thereby forming a non-standard oil spacing and proration unit consisting of 100.81 acres. Applicant also seeks the assignment of an oil allowable for said well to be made retroactive to April 1, 1988 based on the new acreage factor. Said well is located approximately 4.25 miles southeast of Lovington, New Mexico.

CASE 9350: (Continued from April 27, 1988, Examiner Hearing)

Application of Amerind Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit for production from the Strawn and Atoka formations comprising the SE/4 NE/4 and NE/4 SE/4 of Section 2, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, Undesignated Humble City-Strawn Pool, and Undesignated Humble City-Atoka Pool, said unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles north of Humble City, New Mexico.

CASE 9367: (Continued from April 27, 1988, Examiner Hearing)

Application of Marsh Operating Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North line and 990 feet from the East line (Unit A) of Section 34, Township 16 South, Range 34 East, to test the Undesignated South Kemnitz Atoka-Morrow Gas Pool, the N/2 of said Section 34 to be dedicated to the well. Said well is located approximately 5.5 miles North-Northwest of Buckeye, New Mexico.

CASE 9372: Application of Santa Fe Energy Operating Partners, L.P., for compulsory pooling, and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 W/2 and Lots 1 through 4 of Section 30, Township 21 South, Range 28 East, forming a non-standard 313.12-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. Said unit is located approximately 6 miles east-northeast of Carlsbad, New Mexico.

CASE 9374: Application of Bass Enterprises Production Company for compulsory pooling, and two non-standard gas proration units Eddy 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 12,100 feet, whichever is deeper, underlying the SE/4, E/2 SW/4, and Lots 3 and 4 of Section 30, Township 21 South, Range 28 East, to form a non-standard 316.44-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical limits and the E/2 SW/4 and Lots 3 and 4 of said Section 30 to form a non-standard 156.44-acre gas spacing and proration unit for any and all formations and or pools within said vertical limits developed on 160-acre spacing, both aforementioned units to be dedicated to a single 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 units are located approximately 6 miles east-northeast of Carlsbad, New Mexico.

CASE 9373: Application of Texaco Producing Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Brushy Draw-Delaware Pool in the perforated interval from approximately 5417 feet to 6170 feet in its Salt Mountain "36" State Well No. 1 located 660 feet from the North and West lines (Unit D) of Section 36, Township 26 South, Range 29 East, which is located approximately 2.25 miles east by north of where the Pecos River crosses the Texas/New Mexico Stateline.

CASE 8334: (Reopened)

In the matter of Case No. 8834 being reopened pursuant to the provisions of Division Order No. R-8222, which promulgated temporary special pool rules and regulations for the Alston Ranch-Upper Pennsylvanian Pool in Lea County, New Mexico, including a provision for 160-acre spacing units. Operators in the subject pool may appear and show cause why the Alston Ranch-Upper Pennsylvanian Pool should not be developed on 40-acre proration units. The present horizontal extent of said pool consists of the W/2 of Section 25, Township 13 South, Range 34 East, which is located approximately 9 miles west by north of McDonald, New Mexico.

Dockets Nos. 16-88 and 17-88 are tentatively set for May 25 and June 8, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 11, 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 June, 1988, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for June, 1988, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9356: (Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider amending the "Special Rules For Applications For Wellhead Price Ceiling Category Determinations," pursuant to the Natural Gas Policy Act of 1978 (NGPA), as promulgated by Division Order No. R-5878-B, as amended, by revising Forms C-132 and C-132-A to reflect the Department name change.

CASE 9368: Application of Siste Oil & Gas Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Blackhawk Federal Lease underlying the SE/4 of Section 23 and the SW/4 and SE/4 NW/4, of Section 24, both in Township 18 South, Range 31 East, by the injection of water into the Shugart Yates-Seven Rivers-Queen-Grayburg Pool in the perforated interval from approximately 3722 feet to 3747 feet in its Blackhawk Federal Well No. 3, located 2040 feet from the South line and 920 feet from the West line (Unit L) of said Section 24. Said well is located approximately one mile north of the Texas-New Mexico Pipeline Maljamar Plant No. 2 Booster Station.

CASE 9369: Application of Hixon Development 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 36, Township 26 North, Range 2 West, forming a standard 640-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the applicant's Tapacitos Well No. 4 located at an unorthodox oil well location within the buffer zone as prescribed by Rule 2(b) of R-7407-E 1100 feet from the South line and 1600 feet from the East line (Unit O) of said Section 36 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and to which the E/2 of said Section 36 is presently dedicated. 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 3.5 miles southwest by south of Gavilan, New Mexico.

CASE 9377: Application of Hixon Development Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all overriding royalty interests in the Gavilan-Mancos Oil Pool underlying all of Section 25, Township 26 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the applicant's Tapacitos Well No. 2 located at a previously approved unorthodox location (NSL-1404) 1545 feet from the South line and 790 feet from the West line (Unit L) of said Section 25 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and in which the S/2 of said Section 25 is presently dedicated. Said well is located approximately 4.5 miles north-northwest of Gavilan, New Mexico.

CASE 9370: Application of Union Texas Petroleum Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Basin-Dakota and Blanco-Mesa Verde Pools in the wellbore of its Jicarilla "G" Well No. 8, located 1650 feet from the North and East lines (Unit G) of Section 2, Township 26 North, Range 5 West. Said well is located approximately 9.5 miles northwest by west of the Southern Union Gas Company Ojito Camp.

CASE 9371: Application of Reading & Bates Petroleum 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 15, Township 25 North, Range 2 West, forming a standard 640-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the applicant's Howard Federal "15" Well No. 43 located at a standard oil well location 1650 feet from the South line and 790 feet from the East line of said Section 15 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and to which the E/2 of said Section 15 is presently dedicated. 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 overlaid by the community of Gavilan, New Mexico.

CASE 9359: (Continued from April 27, 1988, Examiner Hearing)

Application of Dugan Production Corporation for a non-standard oil proration unit, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations for the Rio Puerco-Mancos Oil Pool as promulgated by Division Order No. R-7471, as amended, to form a 160-acre non-standard oil spacing and proration unit for said pool comprising the NW/4 of Section 25, Township 21 North, Range 4 West, to be dedicated to the existing Husky Federal Well No. 2 located at a standard location 990 feet from the North and West lines (Unit D) of said Section 25. Said well is located approximately 3.25 miles south of Milepost 75 on New Mexico Highway No. 44.

CASE 9369: (Readvertised)

Application of Hixon Development 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 36, Township 26 North, Range 2 West, forming a standard 640-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the applicant's Tapacitos Well No. 4 located at an unorthodox oil well location within the buffer zone as prescribed by Rule 2(b) of R-7407-E 1100 feet from the South line and 1600 feet from the East line (Unit O) of said Section 36 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and to which the E/2 of said Section 36 is presently dedicated. Also to be considered will be the adoption of guidelines for participation in said well and the designation of applicant as operator of the well. Said unit is located approximately 3.5 miles southwest by south of Gavilan, New Mexico.

CASE 9377: (Continued from May 11, 1988, Examiner Hearing)

Application of Hixon Development Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all overriding royalty interests in the Gavilan-Mancos Oil Pool underlying all of Section 25, Township 26 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the applicant's Tapacitos Well No. 2 located at a previously approved unorthodox location (NSL-1404) 1545 feet from the South line and 790 feet from the West line (Unit L) of said Section 25 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and in which the S/2 of said Section 25 is presently dedicated. Said well is located approximately 4.5 miles north-northwest of Gavilan, New Mexico.

CASE 9385: Application of Blackwood & Nichols Co., Ltd. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Ojo Alamo or Kirtland formation in the perforated interval from approximately 2422 feet to 2531 feet in its Northeast Blanco Unit Well No. 206 located 790 feet from the South line and 1190 feet from the West line (Unit M) of Section 10, Township 31 North, Range 7 West. Said well is approximately 8 miles north-northeast of the Navajo Lake Dam.CASE 9373: (Continued from May 11, 1988, Examiner Hearing)

Application of Texaco Producing Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Brushy Draw-Delaware Pool in the perforated interval from approximately 5417 feet to 6170 feet in its Salt Mountain "36" State Well No. 1 located 660 feet from the North and West lines (Unit D) of Section 36, Township 26 South, Range 29 East, which is located approximately 2.25 miles east by north of where the Pecos River crosses the Texas/New Mexico Stateline.

CASE 9386: Application of Standard Oil Production Company for an unorthodox oil well location and directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to directionally drill from a surface location 1300 feet from the North line and 1060 feet from the East line of Section 36, Township 16 South, Range 37 East, to a non-standard bottomhole location in the Undesignated Casey-Strawn Pool within 150 feet of a target point of 1090 feet from the North line and 1180 feet from the East line (Unit A) of said Section 36. The N/2 NE/4 of said Section 36 is to be dedicated to the well forming a standard 80-acre proration and spacing unit for said pool. This unit is located approximately 6 miles north by east of Humble City, New Mexico.CASE 9350: (Continued from May 11, 1988, Examiner Hearing)

Application of Amerind Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit for production from the Strawn and Atoka formations comprising the SE/4 NE/4 and NE/4 SE/4 of Section 2, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, Undesignated Humble City-Strawn Pool, and Undesignated Humble City-Atoka Pool, said unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles north of Humble City, New Mexico.

Dockets Nos. 17-88 and 18-88 are tentatively set for June 8 and 22, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 25, 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 9379: 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-6469-B, by deleting the restriction of the special rules for the Mesas Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, to within the limits of the pool boundary. Said pool is a vast area located north of Lindrith, New Mexico.

CASE 9380: Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Fork Unit Area comprising 20,775.02 acres, more or less, of State, Federal and Fee lands in portions of Townships 4 and 5 South, Ranges 21 and 22 East. The center of said acreage is approximately 2 1/4 miles west of the intersection of U.S. Highway No. 285 and State Highway No. 20.

CASE 9381: Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Camp State Unit Area comprising 5,453.34 acres, more or less, of State, Federal and Fee lands in portions of Township 5 South, Ranges 22 and 23 East. The unit area is located astraddle U.S. Highway No. 285 between the store and garage at Mesa, New Mexico, and the State-maintained Rest Stop three miles north of Mesa, New Mexico; being approximately 28 miles north of the town of Roswell, New Mexico.

CASE 9382: Application of TXO Production Corp. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Phiester State Unit Area comprising 320 acres, more or less, of State lands in the E/2 of Section 36, Township 11 South, Range 3, East. Said unit is located approximately 4.5 miles north of U.S. Highway 380 on County Road 168.

CASE 9383: Application of TXO Production Corp. for directional drilling and unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter the plugged and abandoned Skelton Oil Company Phillips State Well No. 1 located 2310 feet from the South line and 1650 feet from the East line (Unit J) of Section 36 Township 11 South, Range 37 East, wherein the applicant proposes to deepen and deviate said well to within 50 feet of the following targeted locations (both of which are unorthodox):

1. In the Wolfcamp formation - 2570 feet from the North line and 1604 feet from the East line of said Section 36; and,
2. In the Devonian formation - 2100 feet from the North line and 1550 feet from the East line of said Section 36;

both zones to be dedicated to the SW/4 NE/4 (Unit G) of said Section 36 forming a standard 40-acre oil spacing and proration unit. IN THE ALTERNATIVE, should re-entry into the aforementioned well be found impracticable, the applicant seeks authority to re-enter the temporarily abandoned Apache Corporation Heyco "36" State Well No. 1 located 1650 feet from the North line and 990 feet from the East line (Unit H) of said Section 36, wherein the applicant proposes to deepen and deviate said well to within 50 feet of the following targeted locations (both of which are unorthodox):

1. In the Wolfcamp formation - 1890 feet from the North line and 1289 feet from the East line of said Section 36 to be dedicated to the SE/4 NE/4 (Unit H) of said Section 36 forming a standard 40-acre oil spacing and proration unit; and,
2. In the Devonian formation - 2100 feet from the North line and 1550 feet from the East line of said Section 36 to be dedicated to the SW/4 NE/4 (Unit G) of said Section 36 forming a standard 40-acre oil spacing and proration unit.

Said unit is located approximately 4.5 miles north of U.S. Highway 380 on County Road 168.

CASE 9384: Application of Yates Petroleum Corporation for an unorthodox well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 26, Township 9 South, Range 26 East, to test all formations to the base of the Ordovician formations, the S/2 of said Section 26 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing. Said location is approximately 8 miles southeast by east of the Pecos River Bridge on U.S. Highway 70.

CASE 9376: (Continued and Readvertised from May 25, 1988, Examiner Hearing)

Application of Nearburg Producing Company to amend Division Order No. R-8605 and the assignment of an oil allowable retroactive to April 1, 1988, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8605, dated March 8, 1988, by changing the non-standard oil proration unit to include Lots 3 and 4 of Section 19, Township 16 South, Range 37 East, to be dedicated to its Soledad "19M" Well No. 1 located at an unorthodox location 1000 feet from the South and West lines of said Section 19 thereby forming a non-standard oil spacing and proration unit consisting of 100.81 acres. Applicant also seeks the assignment of an oil allowable for said well to be made retroactive to April 1, 1988 based on the new acreage factor. Said well is located approximately 4.25 miles southeast of Lovington, New Mexico.

CASE 9403: Application of Nearburg Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 400 feet from the South and East lines (Unit P) of Section 24, Township 16 South, Range 36 East, Northeast Lovington-Pennsylvanian Pool, the S/2 SE/4 of said Section 24 to be dedicated to said well. This location is approximately 4 miles southeast of Lovington, New Mexico.

CASE 9404: 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 for an unorthodox oil well location 330 feet from the North and West lines (Unit D) of Section 30, Township 16 South, Range 37 East, Undesignated Northeast Lovington-Pennsylvanian Pool, said well to be dedicated to Lots 1 and 2 of said Section 30 thereby forming a 100.49-acre non-standard oil proration and spacing unit for said pool. Said location is approximately 4.3 miles southeast of Lovington, New Mexico.

CASE 9405: Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1200 feet from the South line and 750 feet from the West line (Unit M) of Section 26, Township 19 South, Range 25 East, Undesignated Cemetery-Morrow Gas Pool, the S/2 of said Section 26 to be dedicated to the well. Said location is approximately 4.8 miles west by south of Lakewood, New Mexico.

CASE 9406: Application of Nearburg Producing Company 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 South line and 1650 feet from the West line (Unit N) of Section 1, Township 22 South, Range 24 East, Undesignated McKittrick Hills-Morrow Gas Pool, the S/2 of said Section 1 to be dedicated to said well. This location is approximately 13 miles west of Carlsbad, New Mexico.

CASE 9407: Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2310 feet from the South line and 960 feet from the East line (Unit I) of Section 11, Township 22 South, Range 24 East, Undesignated McKittrick Hills-Morrow Gas Pool, the S/2 of said Section 11 to be dedicated to said well. This location is approximately 14.5 miles west of Carlsbad, New Mexico.

CASE 9373: (Continued and Readvertised from May 25, 1988, Examiner Hearing)

Application of Texaco Producing Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Brushy Draw-Delaware Pool in the perforated interval from approximately 5417 feet to 6170 feet in its Salt Mountain "36" State Well No. 1 located 660 feet from the North and West lines (Unit D) of Section 36, Township 26 South, Range 29 East, which is located approximately 2.25 miles east by north of where the Pecos River crosses the Texas/New Mexico Stateline.

CASE 9385: (Continued from May 25, 1988, Examiner Hearing)

Application of Blackwood & Nichols Co., Ltd. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Ojo Alamo or Kirtland formation in the perforated interval from approximately 2422 feet to 2531 feet in its Northeast Blanco Unit Well No. 206 located 790 feet from the South line and 1190 feet from the West line (Unit M) of Section 10, Township 31 North, Range 7 West. Said well is approximately 8 miles north-northeast of the Navajo Lake Dam.

CASE 9350: (Continued from May 25, 1988, Examiner Hearing)

Application of Amerind Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit for production from the Strawn and Atoka formations comprising the SE/4 NE/4 and NE/4 SE/4 of Section 2, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, Undesignated Humble City-Strawn Pool, and Undesignated Humble City-Atoka Pool, said unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles north of Humble City, New Mexico.

CASE 9408: Application of J. R. Cone for determination of permanent allocation of downhole commingled production and for the amendment of Division Administrative Order DHC-473, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Administrative Order DHC-473, dated June 27, 1984, by determining the permanent allocation of production from the Blinbry, Tubb, and Drinkard Pools and for the adjustment of said production allocation retroactive to August 16, 1984 for its J. R. Cone Eubanks Well No. 2 located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 14, Township 21 South, Range 37 East. Said well is located approximately 3 miles north-northeast of Eunice, New Mexico.

CASE 9362: (Continued from May 25, 1988, Examiner Hearing)

Application of Meridian Oil Inc. for the extension of the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool and the concomitant contraction of the Mount Nebo-Fruitland Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool to include any and all coal zones of the Fruitland formation, from approximately 2,579 feet to 2,878 feet, in Sections 3 through 6, Township 31 North, Range 10 West, and Sections 19 through 22 and 27 through 34, Township 32 North, Range 10 West. Applicant also seeks the concomitant contraction of said zones from the Mount Nebo-Fruitland Pool. Said area consists of 16 square miles in the form of a square centered approximately 5.5 miles east by north of Cedar Hill, New Mexico.

CASE 8834: (Reopened and Readvertised)

In the matter of Case No. 8834 being reopened pursuant to the provisions of Division Order No. R-8222, which promulgated temporary special pool rules and regulations for the Alston Ranch-Upper Pennsylvanian 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 Alston Ranch-Upper Pennsylvanian Pool should not be developed on 40-acre proration units. The present horizontal extent of said pool consists of the W/2 of Section 25, Township 13 South, Range 34 East, which is located approximately 9 miles west by north of McDonald, New Mexico.

CASE 9409: Application of Conoco Inc. for an unorthodox oil well location and simultaneous dedication, 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 2460 feet from the West line (Unit F) of Section 19, Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool, to be simultaneously dedicated to the existing 40-acre proration unit consisting of the SE/4 NW/4 of said Section 19 to the above-described well and to its Eaves A. Well No. 4 located 1980 feet from the North line and 1650 feet from the West line of said Section 19. Said unit is approximately 2 miles north of Mile Corner 8 on the Texas/New Mexico State line.

CASE 9410: Application of Tipperary Oil & Gas Corporation for an unorthodox oil well location and directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to plug back its Monsanto "30" State Well No. 2, located 1830 feet from the South line and 660 feet from the East line (Unit I) of Section 30, Township 16 South, Range 37 East, to 8,230 feet and then commence drilling directionally to penetrate the top of the Undesignated Northeast Lovington-Pennsylvanian Pool at a true vertical depth of approximately 11,050 feet and within a 150-foot radius of an unorthodox subsurface location 1200 feet from the South line and 660 feet from the East line of Section 30, Township 16 South, Range 37 East, the E/2 SE/4 of said Section 30 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool. Said well is approximately 5.5 miles southeast of Lovington, New Mexico.

CASE 9391: (Continued from May 25, 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 in the Strawn formation underlying the E/2 SE/4 of Section 7, Township 16 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for the Northeast Lovington-Pennsylvanian Pool, to be dedicated to a well to be drilled at a standard oil well location in the NE/4 SE/4 (Unit I) 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 unit is approximately 4 miles east by south of the junction of U.S. Highway 82 and New Mexico State 18 in Lovington, New Mexico.

CASE 9392: (Continued from May 25, 1988, Examiner Hearing)

Application of Foran Oil Company for compulsory pooling and 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 13,000 feet, whichever is deeper, underlying the SE/4, E/2 SW/4, and Lots 3 and 4 of Section 30, Township 21 South, Range 35 East, forming a 312.05-acre, more or less, non-standard gas spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 320-acre spacing, and the SE/4 of said Section 30 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 160-acre gas well spacing, both aforementioned units 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 area is approximately 2.5 miles south of the junction of New Mexico State Road 176 and County Road 32.

CASE 9385: (Continued from June 8, 1988, Examiner Hearing)

Application of Blackwood & Nichols Co., Ltd. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Ojo Alamo or Kirtland formation in the perforated interval from approximately 2422 feet to 2531 feet in its Northeast Blanco Unit Well No. 206 located 790 feet from the South line and 1190 feet from the West line (Unit M) of Section 10, Township 31 North, Range 7 West. Said well is approximately 8 miles north-northeast of the Navajo Lake Dam.

CASE 9416: Application of Union Oil Company of California d/b/a/ Unocal for special pool rules and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the House Yates - Seven Rivers Gas Pool, located in portions of Townships 19 and 20 South, Ranges 38 and 39 East, including a provision for 80-acre spacing and designated well locations. Applicant also seeks an exception to the well location requirements of the proposed new special pool rules for the Fletcher Well No. 1 to be re-entered 1980 feet from the North line and 330 feet from the West line of Section 5, Township 20 South, Range 39 East. Said area is approximately 2.5 miles east by south of Nadine, New Mexico.

CASE 9407: (Continued from June 8, 1988, Examiner Hearing)

Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2310 feet from the South line and 960 feet from the East line (Unit I) of Section 11, Township 22 South, Range 24 East, Undesignated McKittrick Hills-Morrow Gas Pool, the S/2 of said Section 11 to be dedicated to said well. This location is approximately 14.5 miles west of Carlsbad, New Mexico.

CASE 9419: Application of Amerind Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to a depth of approximately 11,500 feet underlying the N/2 NW/4 of Section 32, Township 16 South, Range 37 East, to form a standard 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 to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6.5 miles northwest of Humble City.

CASE 9350: (Continued from June 8, 1988, Examiner Hearing)

Application of Amerind Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit for production from the Strawn and Atoka formations comprising the SE/4 NE/4 and NE/4 SE/4 of Section 2, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, Undesignated Humble City-Strawn Pool, and Undesignated Humble City-Atoka Pool, said unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles north of Humble City, New Mexico.

CASE 9417: Application of Anadarko Petroleum Corporation for compulsory pooling and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying either the SE/4 SE/4 of Section 28, Township 16 South, Range 38 East, to form a standard statewide 40-acre oil spacing and proration unit or the E/2 SE/4 of said Section 28 forming a standard 80-acre oil spacing and proration unit for the Strawn formation, only if and at such time as special pool rules for 80-acre spacing in the Strawn formation are adopted in this area. Both aforementioned units are to be dedicated to a well to be drilled at an unorthodox oil well location 1100 feet from the South line and 450 feet from the East line (Unit P) of said Section 28. 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 5 miles south by west of the Old Hobbs Army Corps Auxiliary Airfield No. 1.

CASE 9362: (Continued from June 8, 1988, Examiner Hearing)

Application of Meridian Oil Inc. for the extension of the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool and the concomitant contraction of the Mount Nebo-Fruitland Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool to include any and all coal zones of the Fruitland formation, from approximately 2,579 feet to 2,878 feet, in Sections 3 through 6, Township 31 North, Range 10 West, and Sections 19 through 22 and 27 through 34, Township 32 North, Range 10 West. Applicant also seeks the concomitant contraction of said zones from the Mount Nebo-Fruitland Pool. Said area consists of 16 square miles in the form of a square centered approximately 5.5 miles east by north of Cedar Hill, New Mexico.

Dockets Nos. 20-88 and 21-88 are tentatively set for July 6 and July 20, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 22, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

CASE 9380: (Continued from June 8, 1988, Examiner Hearing)

Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Fork Unit Area comprising 20,775.02 acres, more or less, of State, Federal and Fee lands in portions of Townships 4 and 5 South, Ranges 21 and 22 East. The center of said acreage is approximately 3 1/4 miles west of the intersection of U.S. Highway No. 285 and State Highway No. 20.

CASE 9381: (Continued from May 25, 1988, Examiner Hearing)

Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Camp State Unit Area comprising 5,453.34 acres, more or less, of State, Federal and Fee lands in portions of Township 5 South, Ranges 22 and 23 East. The unit area is located astraddle U.S. Highway No. 285 between the store and garage at Mesa, New Mexico, and the State-maintained Rest Stop three miles north of Mesa, New Mexico; being approximately 28 miles north of the town of Roswell, New Mexico.

CASE 9413: Application of Yates Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Avalon-Delaware Pool located in portions of Township 20 South, Ranges 27 and 28 East, including a provision to increase the gas-oil ratio limitation to 5,000 cubic feet of gas per barrel of oil. Said area is located approximately 9 miles north of Carlsbad, New Mexico.

CASE 9395: (Continued from June 8, 1988, Examiner Hearing)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Lea 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 12, Township 13 South, Range 32 East, to test all formations and/or pools to the base of the Mississippian formation, developed on 320-acre spacing, the E/2 of said Section 12 to be dedicated to said well. Said well is approximately 12.75 miles south by east of Caprock, New Mexico.

CASE 9396: (Continued from June 8, 1988, Examiner Hearing)

Application of BCO, Inc. for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order modifying the standard 40-acre spacing requirements for its State "J" Well No. 1 located 540 feet from the North line and 820 feet from the East line (Unit A) of Section 16, Township 23 North, Range 7 West, which is presently completed as an oil well in both the Undesignated Lybrook-Gallup Oil Pool and Graneros formation (DHC-672) and dedicated to the NE/4 NE/4 of said Section 16, by: (a) permitting the dedication of an additional 40 acres (NW/4 NE/4) to said unit, thereby forming a non-standard 80-acre oil spacing and proration unit consisting of the N/2 NE/4 of said Section 16; and (b) said order to be made retroactive to the date of first production, October 13, 1987. Said well is located in Lybrook, New Mexico.

CASE 9414: Application of Hanson Operating Company, Inc. for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 3 of the Special Rules and Regulations for the Allison-Pennsylvanian Pool, as promulgated by Division Order No. R-1389-B, thereby authorizing an unorthodox oil well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 17, Township 8 South, Range 37 East, the W/2 SE/4 of said Section 17 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately one mile southeast by south of Bluitt, New Mexico.

CASE 9415: Application of Manzano Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Undesignated Santo Nino-Bone Spring Pool underlying either the SW/4 SE/4 of Section 30, Township 18 South, Range 30 East, to form a standard statewide 40-acre oil spacing and proration unit within said vertical limits or the W/2 SE/4 of said Section 30, to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing, both aforementioned units 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 risk involved in drilling said well. Said units are located 7.5 miles south by west of Loco Hills, New Mexico.