

G Com Well No. 300 to be drilled at a previously authorized unorthodox gas well location (pursuant to Decretory Paragraph No. (4) of Division Order No. R-8768) 1430 feet from the North line and 1090 feet from the West line (Unit F) of said Section 6. 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 3.25 miles north by west of Archuleta, New Mexico.

CASE 9550: (Continued from December 21, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2200 feet from the North line and 1360 feet from the East line (Unit G), Section 36, Township 30 North, Range 6 West, to test the Fruitland (sand) Formation, Lots 1 and 2 and the W/2 NE/4 of said Section 36 to be dedicated to said well forming a non-standard 115.04-acre gas spacing and proration unit for said zone. Said location is approximately 5.5 miles northwest by north of Gobernador, New Mexico.

CASE 9571: (Continued from January 4, 1989, Examiner Hearing.)

Application of Meridian Oil Inc. for an unorthodox coal gas well location and simultaneous dedication, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location 2560 feet from the North line and 2610 feet from the West line (Unit F) of Section 15, Township 30 North, Range 7 West, Basin-Fruitland Coal (Gas) Pool, the W/2 of said Section 15 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool, to be simultaneously dedicated to said well and to the applicant's San Juan 30-6 Unit Wells Nos. 406 and 402. Said Well No. 402 is located at a standard coal gas well location 1455 feet from the South and West lines (Unit K) of said Section 15 and Well No. 406 is located at a previously authorized unorthodox coal gas well location (pursuant to Decretory Paragraph No. 4 of Division Order No. R-8768) 2105 feet from the North line and 2390 feet from the West line (Unit F) of said Section 15. Said location unit is approximately 2.75 miles east by north of the Navajo Reservoir Dam.

CASE 9579: 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 base of the Morrow, or 13,000 feet, whichever is deeper, in any and all formations developed on 320-acre spacing units underlying the N/2; and the N/2 NW/4 for any and all formations developed on 80-acre spacing units; and the NE/4 NW/4 for any and all formations developed on 40-acre spacing units in Section 16, Township 22 South, Range 34 East; said units to be dedicated to a well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) in said Section 16. 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 18 miles west by south of Eunice, New Mexico.

CASE 9580: 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 1980 feet from the South line and 990 feet from the West line (Unit L) of said Section 12, Township 20 South, Range 29 East, Undesignated East Burton Flats Strawn Gas Pool, to test all formations from the surface to the base of the Morrow formation, the S/2 of said Section 12 to be dedicated to the well. Said location is approximately 15 miles northeast of Carlsbad, New Mexico.

CASE 9413: (Continued from December 21, 1988, Examiner Hearing.)

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 9574: (Continued from January 4, 1989, Examiner Hearing.)

Application of Marshall Pipe & Supply for dual completion and salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Cook Well No. 1 located at a previously approved unorthodox gas well location (Order No. R-8618) 330 feet from the North line and 1980 feet from the East line (Unit B) of Section 34, Township 2 South, Range 29 East, by disposing of produced salt water down through tubing into the Undesignated Tule-Montoya Gas Pool in the perforated interval from 7104 feet to 7116 feet and continue producing gas from the Undesignated Tule-Pennsylvanian Gas Pool up the casing/tubing annulus. Said well is located approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

Dockets Nos. 4-89 and 5-89 are tentatively set for February 1 and February 15, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 18, 1989

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

The following cases will be heard before Victor T. Lyon, Examiner, or David R. Catanach, Alternate Examiner:

CASE 9270: (Reopened)

In the matter of Case No. 9270 being reopened pursuant to the provisions of Division Order No. R-8586, which promulgated temporary special rules and regulations for the North Bluit Siluro-Devonian Pool in Roosevelt County, New Mexico, including a provision for 80-acre spacing units. Operators in the subject pool may appear and show cause why said temporary rules for the North Bluit Siluro-Devonian Pool should not be rescinded.

CASE 9566: (Continued from January 4, 1989, Examiner Hearing.)

Application of Northwest Pipeline Corporation for an unorthodox coal gas well location and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location 535 feet from the South line and 685 feet from the East line (Unit P) of irregular Section 6, Township 31 North, Range 5 West, Basin-Fruitland Coal Gas Pool, all of said Section 6 to be dedicated to said well forming a 264.56-acre non-standard gas spacing and proration unit for said pool. Said unit is located approximately 5 miles south of Mile Corner No. 240 which is located on the Colorado/New Mexico Stateline.

CASE 9576: Application of Chevron USA, Inc. for an unorthodox oil well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its C. E. LaMunyon Well No. 50 to be drilled at an unorthodox oil well location 1310 feet from the North line and 210 feet from the East line (Unit A) of Section 28, Township 23 South, Range 37 East, Teague Blinbry Pool, the NE/4 NE/4 of Section 28, to be simultaneously dedicated to said well and to the applicant's C.F. LaMunyon Well No. 21 located at a standard oil well location 510 feet from the North line and 660 feet from the East line of said Section 28. Said unit is located approximately 15 miles east of the Teague Siding.

CASE 9577: Application of Meridian Oil Inc. for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Robinson-Jackson Unit Tr. 2A Well No. 33 located 385 feet from the North line and 1325 feet from the East line (Unit B) of Section 27, Township 17 South, Range 29 East, Grayburg Jackson (Q-G-SA-SR) Pool, Robinson-Jackson Waterflood Project, the NW/4 NE/4 of said Section 27 to be dedicated to said well and to the existing Meridian Oil Inc. Robinson Jackson Unit Tr. 2A Well No. 2 located at a standard oil well location 660 feet from the North line and 1980 feet from the East line of said Section 27. Said unit is located approximately 4.5 miles west by south of Loco Hills, New Mexico.

CASE 9578: Application of Meridian Oil Inc. for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1685 feet from the South line and 165 feet from the West line (Unit L) of said Section 22, Township 26 North, Range 8 West, Basin Fruitland Coal Pool, the S/2 of said Section 22 to be dedicated to said well forming a standard 320-acre proration unit for said pool. Said location is approximately 16 miles east by south of Bloomfield, New Mexico.

CASE 9535: (Continued from December 21, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for compulsory pooling, unorthodox gas well location, and non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 3 and 4 and E/2 SW/4 of Section 7 and Lots, 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township 30 North, Range 8 West, forming a non-standard 334.94-acre gas spacing and proration unit, to be dedicated to its Howell "C" Com Well No. 301 to be drilled at an unorthodox gas well location in the SE/4 NW/4 (Unit F) of said Section 18. 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 1.5 miles northwest by north of Archuleta, New Mexico.

CASE 9545: (Continued from December 21, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for compulsory pooling and a nonstandard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 3, 4, 5, 6, and 7, the SE/4 NW/4, and the E/2 SW/4 of Section 6 and Lots 1 and 2 and the E/2 NW/4 of Section 7, Township 30 North, Range 8 West, forming a non-standard 331.00-acre gas spacing and proration unit, to be dedicated to its Howell

Dockets Nos. 1-89 and 2-89 are tentatively set for January 4 and January 18, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 21, 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 9557: Application of Rio Pecos Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Lovington Unit Area comprising 600 acres, more or less, of State and Fee lands in the N/2, SE/4, N/2 SW/4, and SE/4 SW/4 of Section 12, Township 16 South, Range 36 East. Said unit is located approximately 2 miles East of Lovington, New Mexico.

CASE 9413: (Continued from December 7, 1988, Examiner Hearing.)

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 9558: Application of McKay Oil Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pecos Slope-Abo Gas Pool underlying the SW/4 of Section 34, Township 6 South, Range 26 East, to form a standard 160-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at an orthodox 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 14 miles N 75° W of Elkins, New Mexico.

CASE 9524: (Continued from December 7, 1988, Examiner Hearing.)

Application of Amerind Oil Company for directional drilling and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its State MTS Well No. 1 located at a standard surface location 1830 feet from the South line and 660 feet from the East line (Unit I) of Section 2, Township 17 South, Range 37 East, wherein the applicant proposes to directionally drill said well to penetrate the Strawn formation, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, at an unorthodox bottomhole location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2. The E/2 SE/4 of said Section 2 is to be dedicated to the subject well. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill the State MTS Well No. 1-A at an unorthodox surface location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2 to test the Strawn formation. This area is located approximately 4 miles North of Humble City, New Mexico.

CASE 9532: (Continued from December 7, 1988, Examiner Hearing.)

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 the base of the Strawn formation underlying the E/2 SE/4 of Section 2, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing (which includes but is not necessarily limited to the Undesignated Shipp-Strawn Pool and the Undesignated Humble City-Atoka Pool). 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 area is located approximately 4.25 miles north of Humble City, New Mexico.

CASE 9534: (Continued from December 7, 1988, Examiner Hearing.)

Application of Standard Oil 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 the base of the Strawn formation underlying the NW/4 NE/4 (Unit B) of Section 8, Township 17 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing and proration units (which includes but is not necessarily limited to the Undesignated West Garrett-Devonian and Undesignated Knowles-Abo Pools). 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 area is located approximately 2.5 miles north-northeast of Knowles, New Mexico.

CASE 9559: Application of Nassau Resources, Inc. for 19 unorthodox coal gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks exceptions to Division Order No. R-8768, Basin-Fruitland Coal Gas Pool Rules, to allow 19 unorthodox coal gas well locations all in the Carracas Canyon Unit located in portions of Townships 31 and 32 North, Ranges 4 and 5 West. Said Unit Area is located approximately 8 miles East of the Navajo Reservoir.

CASE 9560: Application of Nassau Resources, Inc. for a non-standard gas proration unit, Rio Arriba, County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard gas spacing and proration unit for production from the Basin-Fruitland Coal Gas Pool comprising all of irregular Section 2, Township 31 North, Range 5 West. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location 2000 feet from the South line and 2200 feet from the West line (Unit K) of said Section 2. Said unit is located approximately 5 miles South of Mile Corner No. 36 located on the New Mexico/Colorado Stateline.

CASE 9535: (Continued from November 22, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for compulsory pooling, unorthodox gas well location, and non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 3 and 4 and the E/2 SW/4 of Section 7 and Lots 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township 30 North, Range 8 West, forming a non-standard 334.94-acre gas spacing and proration unit, to be dedicated to its Howell "C" Com Well No. 301 to be drilled at an unorthodox gas well location in the SE/4 NW/4 (Unit F) of said Section 18. 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 1.5 miles northwest by north of Archuleta, New Mexico.

CASE 9536: (Continued from November 22, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the W/2 of Section 24, Township 30 North, Range 9 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its Riddle "A" Com Well No. 260 to be drilled at a standard gas well location in the NE/4 SW/4 (Unit K) of said Section 24. 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 1 mile west of Archuleta, New Mexico.

CASE 9545: (Continued from November 22, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for compulsory pooling and a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 3, 4, 5, 6, and 7, the SE/4 NW/4, and the E/2 SW/4 of Section 6 and Lots 1 and 2 and the E/2 NW/4 of Section 7, Township 30 North, Range 8 West, forming a non-standard 331.00-acre gas spacing and proration unit, to be dedicated to its Howell G Com Well No. 300 to be drilled at a previously authorized unorthodox gas well location (pursuant to Decretory Paragraph No. (4) of Division Order No. R-8768) 1430 feet from the North line and 1090 feet from the West line (Unit F) of said Section 6. 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 3.25 miles north by west of Archuleta, New Mexico.

CASE 9550: (Continued from December 7, 1988, Examiner Hearing.)

Application of Meridian Oil Inc. for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2200 feet from the North line and 1360 feet from the East line (Unit G), Section 36, Township 30 North, Range 6 West, to test the Fruitland (sand) Formation, Lots 1 and 2 and the W/2 NE/4 of said Section 36 to be dedicated to said well forming a non-standard 115.04-acre gas spacing and proration unit for said zone. Said location is approximately 5.5 miles northwest by north of Gobernador, New Mexico.

CASE 9561: Application of Stevens Operating Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1870 feet from the North line and 80 feet from the West line (Unit E) of Section 1, Township 9 South, Range 28 East, Twin Lakes-Devonian Pool, the S/2 NW/4 of said Section 1 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 9 miles South of Elkins, New Mexico.

CASE 9553: Application of Benson-Montin-Greer Drilling Corp. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Basin-Dakota Pool and West Puerto Chiquito-Mancos Oil Pool within the wellbore of its Canada Ojitos Unit Well No. 22 located 1685 feet from the North line and 1860 feet from the West line (Unit F) of Section 20, Township 26 North, Range 1 West. Said well is located approximately 20 miles north of Regina, New Mexico.

CASE 9555: (Continued from November 9, 1988, Examiner Hearing.)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-6469, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-6469, as amended, to rescind approval for those non-standard proration units approved therein located in Township 24 North, Range 1 West and Township 26 North, Range 1 West. The center of said area is located approximately 13 miles southwest of Regina, New Mexico.

CASE 9554: Application of Blackwood & Nichols Co., Ltd. for an unorthodox gas well location and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location 680 feet from the South line and 850 feet from the West line (Unit N) of Irregular Section 19, Township 30 North, Range 7 West, Basin-Fruitland Coal Pool, Lots 13 and 14 of Section 18 and Lots 6, 7, 12, and 13, and the E/2 W/2 of Section 19, both in Township 30 North, Range 7 West, to be dedicated to this well forming a 307.44-acre non-standard gas spacing and proration unit for said pool. Said location is approximately 1/4 mile south-southwest from the Navajo Reservoir Dam.

CASE 9413: (Continued from November 22, 1988, Examiner Hearing.)

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 9528: (Continued from November 22, 1988, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 Morrow formation underlying the following described acreage in Section 17, Township 23 South, Range 31 East, and 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 (Undesignated Los Medanos-Morrow Gas and Undesignated West Sand Dunes-Atoka Gas Pools) developed on 320-acre spacing;

the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing; and,

the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools (Undesignated James Ranch-Bone Spring Pool) developed on statewide 40-acre spacing.

All of the above-described units are to be dedicated to a single well to be drilled at a standard location in the SW/4 NE/4 (Unit G) of said Section 17.

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 located approximately 1.5 miles south by east of the James Ranch.

CASE 9555: Application of Charles B. Gillespie, Jr. for directional drilling and an unorthodox subsurface location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to recomplete its Shipp Well No. 1 located 550 feet from the North line and 2,310 feet from the East line (Unit B) of Section 11, Township 17 South, Range 37 East, wherein the applicant proposes to plug back to a depth of approximately 8,500 feet and directionally drill said well to penetrate the top of the Undesignated Humble City-Strawn Pool, within a 75 foot radius of an unorthodox location 990 feet from the North line and 2,310 feet from the East line (Unit B) of said Section 11. The W/2 NE/4 of said Section 11 is to be dedicated to the well forming a standard 80-acre oil proration unit for said pool. This area is located approximately 4 miles north of Humble City, New Mexico.

Dockets Nos. 37-88 and 1-89 are tentatively set for December 21 and January 4, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 7, 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 January, 1989, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for January, 1989, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9550: Application of Meridian Oil Inc. for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2200 feet from the North line and 1360 feet from the East line (Unit C), Section 36, Township 30 North, Range 6 West, to test the Fruitland (sand) Formation, Lots 1 and 2 and the W/2 NE/4 of said Section 36 to be dedicated to said well forming a non-standard 115.04-acre gas spacing and proration unit for said zone. Said location is approximately 5.5 miles northwest by north of Gobernador, New Mexico.

CASE 9551: Application of Texaco, U.S.A. for an exception to General Rule 303.A., surface commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to General Rule 303.A., authorizing surface commingling of Lovington-Grayburg-San Andres Pool and Lovington-Abo Pool production from the State "P" Lease located in Section 32, Township 16 South, Range 37 East, into a common tank battery. Said lease is located approximately 7 miles north-northwest of Humble City, New Mexico.

CASE 9524: (Continued from November 22, 1988, Examiner Hearing.) (Readvertised)

Application of Amerind Oil Company for directional drilling and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its State MTS Well No. 1 located at a standard surface location 1830 feet from the South line and 660 feet from the East line (Unit I) of Section 2, Township 17 South, Range 37 East, wherein the applicant proposes to directionally drill said well to penetrate the Strawn formation, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, at an unorthodox bottomhole location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2. The E/2 SE/4 of said Section 2 is to be dedicated to the subject well. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill the State MTS Well No. 1-A at an unorthodox surface location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2 to test the Strawn formation. This area is located approximately 4 miles North of Humble City, New Mexico.

CASE 9532: (Continued from November 22, 1988, Examiner Hearing.)

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 the base of the Strawn formation underlying the E/2 SE/4 of Section 2, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing (which includes but is not necessarily limited to the Undesignated Shipp-Strawn Pool and the Undesignated Humble City-Atoka Pool). 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 area is located approximately 4.25 miles north of Humble City, New Mexico.

CASE 9552: Application of Amoco Production Company for an exception to General Rule 309-A, lease commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to General Rule 309-A to allow surface commingling of Mancos production (which includes but is not necessarily limited to the Gavilan-Mancos Oil Pool and Undesignated Gavilan-Mancos Oil Pool) from two or more separate leases in Sections 1 through 3 and 10 through 15, Township 26 North, Range 2 West, into a common tank battery without first metering production from the individual lease. Said area is located approximately 14 miles north by east of Lindrieth, New Mexico.

Dockets Nos. 36-88 and 37-88 are tentatively set for December 7 and December 21, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 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 9413: (Continued from October 26, 1988, Examiner Hearing.)

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 9528: Application of Santa Fe Energy Operating Partners, L.P. 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 Morrow formation underlying the following described acreage in Section 17, Township 23 South, Range 31 East, and 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 (Undesignated Los Medanos-Morrow Gas and Undesignated West Sand Dunes-Atoka Gas Pools) developed on 320-acre spacing;

the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing; and,

the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools (Undesignated James Ranch-Bone Spring Pool) developed on statewide 40-acre spacing.

All of the above-described units are to be dedicated to a single well to be drilled at a standard location in the SW/4 NE/4 (Unit G) of said Section 17.

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 located approximately 1.5 miles south by east of the James Ranch.

CASE 9529: Application of Santa Fe Exploration Company for pool creation, special pool rules, and discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for the Devonian formation comprising the SE/4 of Section 9, Township 14 South, Range 29 East, and the promulgation of temporary special rules therefor including a provision for 160-acre spacing and proration units and designated well location requirements. Applicant further seeks the assignment of an oil discovery allowable, pursuant to General Rule 509, to the Holmstrom Federal Well No. 1 located 1980 feet from the South and East lines (Unit J) of said Section 9 (which is approximately 17 miles east of Haggerman, New Mexico).

CASE 9078: (Reopened)

In the matter of Case No. 9078 being reopened pursuant to the provisions of Division Order No. R-8450, which created the Southwest Osudo-Wolfcamp Pool in Lea County, New Mexico, upon the application of BTA Oil Producers. The applicant shall appear and present evidence as to the exact nature of the reservoir and, more particularly, as to the proper rate of withdrawal from the reservoir if it is indeed determined to be a retrograde gas condensate reservoir.

CASE 9530: Application of Pennzoil Exploration and Production Company for compulsory pooling and an 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 Atoka formation underlying the S/2 SW/4 of Section 1, Township 17 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit for any pool developed on 80-acre spacing within said vertical limits (which includes but is not necessarily limited to the Undesignated Humble City-Atoka, Undesignated Humble City-Strawn, Undesignated South Humble City-Strawn, or Undesignated Shipp-Strawn Pools) or the SE/4 SW/4 of said Section 1 to form a standard statewide 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical limits (which includes but is not necessarily limited to the Undesignated West Garrett-Devonian and Undesignated Humble City-Wolfcamp Pools), both aforementioned units to be dedicated to a well to be drilled 900 feet from the South line and 1750 feet from the West line (Unit N) of said Section 1, which is unorthodox for an 80-acre unit. 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 located approximately 4.75 miles west by north of Knowles, New Mexico.

CASE 9531: Application of OGS Operating Company, Inc. for compulsory pooling and an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bluit-San Andres Associated Pool, underlying either the W/2 of Section 14, Township 8 South, Range 37 East, to form a standard 320-acre spacing and proration unit for any gas production from said pool, or the N/2 NW/4 of said section to form a standard 80-acre spacing and proration unit for any oil production from said pool. Either unit is to be dedicated to a well to be drilled to the base of said pool at a standard gas well location 990 feet from the North and West lines (Unit D) of said Section 14. However, this location will be an unorthodox oil well location for said pool. 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 located approximately 3.25 miles east of Bluit, New Mexico.

CASE 9524: (Readvertised)

Application of Amerind Oil Company for directional drilling and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its State MTS Well No. 1 located at a standard surface location 1830 feet from the South line and 660 feet from the East line (Unit I) of Section 2, Township 17 South, Range 37 East, wherein the applicant proposes to directionally drill said well to penetrate the Strawn formation, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, at an unorthodox bottomhole location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2. The E/2 SE/4 of said Section 2 is to be dedicated to the subject well. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill the State MTS Well No. 1-A at an unorthodox surface location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2 to test the Strawn formation. This area is located approximately 4 miles North of Humble City, New Mexico.

CASE 9532: 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 the base of the Strawn formation underlying the E/2 SE/4 of Section 2, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing (which includes but is not necessarily limited to the Undesignated Shipp-Strawn Pool and the Undesignated Humble City-Atoka Pool). 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 area is located approximately 4.25 miles north of Humble City, New Mexico.

CASE 9533: Application of Nearburg Producing Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard 40-acre oil spacing and proration unit for production from the Northeast Lovington-Pennsylvanian Pool comprising the SE/4 NW/4 (Unit F) of Section 19, Township 16 South, Range 37 East. Said unit is to be dedicated to a well to be drilled at a standard oil well location 1900 feet from the North line and 2400 feet from the West line of said Section 19, which is located approximately 3 3/4 miles southeast of Lovington, New Mexico.

CASE 9534: Application of Standard Oil 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 the base of the Strawn formation underlying the NW/4 NE/4 (Unit B) of Section 8, Township 17 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing and proration units (which includes but is not necessarily limited to the Undesignated West Garrett-Devonian and Undesignated Knowles-Abo Pools). 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 area is located approximately 2.5 miles north-northeast of Knowles, New Mexico.

CASE 9535: Application of Meridian Oil, Inc. for compulsory pooling, unorthodox gas well location, and non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 3 and 4 and the E/2 SW/4 of Section 7 and Lots 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township 30 North, Range 8 West, forming a non-standard 334.94-acre gas spacing and proration unit, to be dedicated to its Howell "C" Com Well No. 301 to be drilled at an unorthodox gas well location in the SE/4 NW/4 (Unit F) of said Section 18. 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 1.5 miles northwest by north of Archuleta, New Mexico.

Dockets Nos. 33-88 and 34-88 are tentatively set for November 9 and November 22, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 26, 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 9510: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its New Deal "AFD" Federal Well No. 1 located 1980 feet from the North line and 760 feet from the East line (Unit H) of Section 6, Township 18 South, Range 25 East, to test all formations and/or pools from the top of the Wolfcamp formation to the base of the Mississippian formation (which includes but is not necessarily limited to the Eagle Creek Permo-Pennsylvanian Gas Pool, Undesignated Eagle Creek-Strawn Gas Pool and the Undesignated Richard Knob Atoka-Morrow Gas Pool), Lots 1, 2, 3, 4, and 5, the SE/4 NW/4, and the S/2 NE/4 of said Section 6 to be dedicated to said well forming a standard 324.66-acre gas spacing and proration unit. Said well is located approximately 10 miles southwest by west of Artesia, New Mexico.

CASE 9413: (Continued from September 28, 1988, Examiner Hearing.)

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 9497: (Continued from October 12, 1988, Examiner Hearing.)

Application of Corinne B. Grace for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bell Canyon and Upper Cherry Canyon formations of the East Ross Draw-Delaware Pool in the perforated interval from approximately 3886 feet to 4990 feet in its Zac Federal Well No. 1 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 25, Township 26 South, Range 30 East. Said well is located approximately 1/2 mile north-northwest of Monument No. 45 on the Texas/New Mexico stateline.

CASE 9511: Application of Phillips Petroleum Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the South Peterson-Fusselman Pool and Montoya formation in the perforated interval from approximately 7392 feet to 7944 feet in its Lambirth "A" Well No. 6 located 1830 feet from the South line and 1980 feet from the East line (Unit J) of Section 30, Township 5 South, Range 33 East, which is located 10.5 miles west of Pep, New Mexico.

CASE 9391: In the matter of Case 9391 being reopened upon the application of Foran Oil Company in order to add the Home-Stake Royalty Corporation and the Home-Stake Oil and Gas Company to Division Order No. R-8674, which is the order resulting from said Case 9391 providing for the compulsory pooling of all mineral interests in the Strawn formation underlying the E/2 SE/4 of Section 7, Township 15 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool. Said unit is located approximately 4 miles east by south of the junction of U.S. Highway 82 and New Mexico State 18 in Lovington, New Mexico.

CASE 9491: (Readvertised)

Application of Foran Oil Company for simultaneous dedication, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to simultaneously dedicate a standard 320-acre gas spacing and proration unit in the Diamond Mound Atoka-Morrow Gas Pool consisting of the W/2 of Section 36, Township 15 South, Range 27 East, to the existing State "ET" Well No. 1 located at a standard gas well location 990 feet from the North line and 1650 feet from the West line (Unit C) of said Section 36 and to a second well to be drilled at a standard gas well location in the SW/4 of said Section 36. Said unit is located approximately 14 miles east-northeast of Artesia, New Mexico.

CASE 9475: (Continued from September 28, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancoas Oil Pool underlying all of Section 2, Township 26 North, Range 2 West, to form a 638.28-acre, more or less, standard oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location in Lot 3 of said Section 2. 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 14 miles north of Lindrieth, New Mexico.

CASE 9476: (Continued from September 28, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos Oil Pool underlying all of Section 3, Township 26 North, Range 2 West, to form a 636.80-acre, more or less, standard oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location in the SW/4 NW/4 (Unit E) of said Section 3. 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 14 miles north of Lindrith, New Mexico.

CASE 9435: (Reopened and Readvertised)

Application of Union Oil Company of California d/b/a Unocal 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 in the Undesignated House Yates-Seven Rivers Gas Pool for a well to be drilled in Lot 1 at a point 600 feet from the North line of Irregular Section 5, Township 20 South, Range 39 East, and 330 feet East of the western boundary of Lot 1 in said Section 5, said well to be dedicated to Lots 1 and 4 of said Section 5 thereby forming a 58.72-acre non-standard gas proration and spacing unit for said pool. Said location is approximately 3.75 miles S 73° E of Nadine, New Mexico.

CASE 9490: (Continued from September 28, 1988, Examiner Hearing.)

Application of Texaco Producing Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in any and all formations to the base of the Strawn formation underlying the E/2 of Section 17, Township 25 South, Range 36 East, forming a standard 320-acre spacing and proration unit for any and all formations developed on 320-acre spacing. Said unit is to be dedicated to its West Jal B Deep Well No. 1 located at a standard location 1980 feet from the North line and 660 feet from the East line of said Section 17. 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 5 1/4 miles west by north of Jal, New Mexico.

CASE 9512: Application of ARCO Oil and Gas Company to reinstate Division Order No. R-4984, simultaneous dedication and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to reinstate Division Order No. R-4984 which authorized the standard 640-acre gas spacing and proration unit in the Jalmat Gas Pool, consisting of Section 14, Township 22 South, Range 36 East, to be simultaneously dedicated to the McDonald "WN" State Wells No. 11 and 27 (Well No. 27 being at an unorthodox gas well location) located in Units D and O, respectively. Applicant further seeks the addition of the McDonald "WN" State Wells No. 28 (authorized by the Division Director by letter dated June 18, 1976) and 31 located in Units F and A, respectively, of said Section 14, said Well No. 31 being at an unorthodox gas well location 660 feet from the North and East lines of said Section 14. Said unit is located approximately 7 miles southwest by west of Eunice, New Mexico.

CASE 9513: Application of Nearburg Producing Company for directionally drilling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to reenter the Texas International Petroleum Corp. Byers Well No. 1 located 660 feet from the South and West lines (Unit M) of Section 12, Township 17 South, Range 37 East, wherein the applicant proposes to deviate from vertical at a depth of approximately 7000 feet and bottom said wellbore in the Strawn formation at a subsurface unorthodox oil well location 330 feet from the South line and 990 feet from the West line of said Section 12. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill a well at an unorthodox oil well location 330 feet from the South line and 990 feet from the West line (Unit M) of Section 12. In either case, the S/2 SW/4 of said Section 12 is to be dedicated to the appropriate well forming a standard 80-acre oil spacing and proration unit for either the Undesignated Humble City-Strawn Pool or South Humble City-Strawn Pool. The proposed unit is located approximately 4.75 miles west of Knowles, New Mexico.

CASE 9514: Application of OXY USA, 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 Wolfcamp formation underlying the SE/4 SE/4 (Unit P) of Section 29, Township 19 South, Range 36 East, to form a standard 40-acre oil spacing and proration unit for any and all pools or formations developed on statewide 40-acre spacing (which includes but is not necessarily limited to the Undesignated East Pearl-Queen Pool, Undesignated Eunice Monument-Grayburg-San Andres Pool, and an oil well in the Undesignated Eumont Gas 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 located approximately 6 miles west of Monument, New Mexico.

Dockets Nos. 30-88 and 31-88 are tentatively set for October 12 and October 26, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 28, 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 9413: (Continued from August 17, 1988, Examiner Hearing.)

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 9487: Application of TXO Producing Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying either the SW/4 SW/4 (Unit M) of Section 2, Township 17 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for said zones and/or the W/2 SW/4 of said Section 2 to form a standard 80-acre oil spacing and proration unit for said zones (subject to the adoption of Special Pool Rules). Said unit(s) are to be dedicated to either well covered in Division Case 9470. Also to be considered will be the costs of drilling (or re-entering) and completing the 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 re-entering and directional drilling or in drilling the well. The proposed units are located approximately 6.75 miles south of the old Hobbs Army Air Forces Auxiliary Airfield No. 1.

CASE 9456: (Continued from August 31, 1988, Examiner Hearing.)

Application of Foy and Middlebrook for an unorthodox gas well location, dual completion, and salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Culp Ranch Unit Well No. 2 located 330 feet from the North line and 990 feet from the West line (Unit D) of Section 11, Township 12 South, Range 30 East, by disposing of produced salt water down through tubing into the Graham Springs-Devonian Pool in the open hole interval from 10,370 feet to 10,393 feet and producing gas from the Morrow formation up the casing/tubing annulus in said well, which is at an unorthodox gas well location, the N/2 of said Section 11 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said well is located approximately 12.75 miles S 60° W of Caprock, New Mexico.

CASE 9488: Application of BHP Petroleum Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation or to a depth of 8100 feet, whichever is deeper, underlying Section 28, Township 24 North, Range 1 West, forming a 640-acre spacing and proration unit for the West Puerto Chiquito Mancos-Oil Pool or other pools having 640-acre spacing; the E/2 of said section for pools having 320-acre spacing, or the SW/4 NE/4 of said section for pools having 40-acre spacing. Said unit is to be dedicated to a well to be drilled at a standard location in 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 units are located approximately 6 1/2 miles north of Regina, New Mexico.

CASE 9480: (Continued from September 14, 1988, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P., 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 Wolfcamp formation underlying the W/2 of Section 11, Township 22 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing (which only includes the Undesignated East Carlsbad-Wolfcamp Gas Pool at this time). Said unit is 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 3/4 mile east of the Carlsbad Municipal Sewage Disposal Plant.

CASE 9489: 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 Nacimiento formation in the perforated interval from approximately 1798 feet to 2250 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, which is located approximately 8 miles north-northeast of Navajo dam, New Mexico.

CASE 9468: (Continued from August 31, 1988, Examiner Hearing.)

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 North line and 2240 feet from the East line (Unit B) of Section 30, Township 16 South, Range 37 East, to test the Strawn formation, Northeast Lovington-Pennsylvanian Pool, the N/2 NE/4 of said Section 30 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said formation. Said location is approximately 4.5 miles southeast of Lovington, New Mexico.

CASE 9490: Application of Texaco Producing Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in any and all formations to the base of the Strawn formation underlying the E/2 of Section 17, Township 25 South, Range 36 East, forming a standard 320-acre spacing and proration unit for any and all formations developed on 320-acre spacing. Said unit is to be dedicated to its West Jal B Deep Well No. 1 located at a standard location 1980 feet from the North line and 660 feet from the East line of said Section 17. 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 5 1/2 miles west by north of Jal, New Mexico.

CASE 9472: (Continued from September 14, 1988, Examiner Hearing.)

Application of Terra Resources, Inc. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to either the base of the Morrow formation or to a depth of 9300 feet, whichever is deeper, (which includes but is not necessarily limited to the Undesignated Dayton-Wolfcamp Gas Pool, Undesignated Boyd-Morrow Gas Pool, and Undesignated Atoka-Pennsylvanian Gas Pool) underlying Lots 1 through 4 and the E/2 W/2 of Section 31, Township 18 South, Range 26 East, forming a standard 316-acre, more or less, gas spacing and proration unit, to be dedicated to a well to be drilled 1980 feet from the North line and 1617 feet from the West line (Unit F) of said Section 31, which is unorthodox for the Atoka-Pennsylvanian Gas Pool Rules. 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 northwest by north of Lakewood, New Mexico.

CASE 9491: Application of Foran Oil Company for simultaneous dedication, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to simultaneously dedicate a standard 320-acre gas spacing and proration unit in the Diamond Mound Atoka-Morrow Gas Pool consisting of the W/2 of Section 36, Township 15 South, Range 27 East, to the existing State "ET" Well No. 1 located at a standard gas well location 990 feet from the North line and 1650 feet from the West line (Unit C) of said Section 36 and to a second well to be drilled at a standard gas well location in the SW/4 of said Section 36. Said unit is located approximately 14 miles east-northeast of Artesia, New Mexico.

CASE 9475: (Continued from August 31, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos Oil Pool underlying all of Section 2, Township 26 North, Range 2 West, to form a 638.28-acre, more or less, standard oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location in Lot 3 of said Section 2. 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 14 miles north of Lindrith, New Mexico.

CASE 9476: (Continued from August 31, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos Oil Pool underlying all of Section 3, Township 26 North, Range 2 West, to form a 636.80-acre, more or less, standard oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location in the SW/4 NW/4 (Unit E) of said Section 3. 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 14 miles north of Lindrith, New Mexico.

Dockets Nos. 26-88 and 27-88 are tentatively set for August 31 and September 14, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 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 9452: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider establishing 33 non-standard gas proration and spacing units for any and all formations and/or pools developed on 160-acre spacing in Sections 6, 7, 18, 19, 30, and 31, all in Township 29 North, Range 3 West; Sections 6, 7, 18, 19, 30, and 31, all in Township 30 North, Range 3 West; Sections 6, 7, 18, 19, 30, and 31, all in Township 31 North, Range 3 West; and Sections 7, 8, 9, 10, 11, 12, 18, 19, 30, and 31, all in Township 32 North, Range 3 West, Rio Arriba County, New Mexico. Said area of interest extends along the boundary of the Jicarilla Apache Indian Reservation and the Carson National Forest from the Colorado/New Mexico Stateline south for 22.5 miles.

CASE 9453: Application of BHP Petroleum Company, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Ervin Ranch Unit Area comprising 668 acres, more or less, of State and Fee lands in portions of Townships 10 and 11 South, Ranges 26 and 27 East. The center of said unit area is located approximately one mile south of Milepost No. 171 on U.S. Highway 380.

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 ration 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 9444: (Continued from August 3, 1988, Examiner Hearing.)

Application of Yates Petroleum Corporation to amend Division Order No. R-8578, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-8578 entered in Case No. 9249 on January 6, 1988, by changing the unorthodox gas well location approved by said Order to 2310 feet from the South line and 750 feet from the West line (Unit L) of Section 8, Township 19 South, Range 27 East. All other provisions in said Order No. R-8578 will remain in full force and effect. Said location is approximately 17 miles southeast of Artesia, New Mexico. In the absence of objection, this case will be taken under advisement.

CASE 9454: Application of TXO Production Corporation for an unorthodox bottomhole oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox bottomhole oil well location for its Penron-Byers Well No. 1, 1013 feet from the South line and 688 feet from the East line of Section 3, Township 17 South, Range 37 East, the S/2 SE/4 of said Section 3 to be dedicated to said well if completed in the Shipp-Strawn Pool or the Undesignated Humble City-Atoka Pool thereby forming a standard 80-acre oil spacing and proration unit for said pools the SE/4 SE/4 of said Section 3 to be dedicated to said well if completed in or any other formation and/or pool which may be developed on 40-acre spacing. Said location is approximately 4.5 miles north by west of Humble City, New Mexico.

CASE 9455: Application of TXO Production 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 1310 feet from the South line and 660 feet from the East line (Unit P) of Section 13, Township 17 South, Range 37 East, to test all formations from the surface to the base of the Atoka formation, the E/2 SE/4 of said Section 13 to be dedicated to said well, forming a standard 80-acre oil spacing and proration unit for the Undesignated South Humble City-Strawn and Undesignated Humble City-Atoka Pools or the SE/4 SE/4 of said Section 13 to be dedicated to said well if completed in any other formation and/or pool spaced on 40-acre spacing. Said location is approximately 2.5 miles north-northeast of Humble City, New Mexico.

CASE 9456: Application of Foy and Middlebrook for an unorthodox gas well location, dual completion, and salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Culp Ranch Unit Well No. 2 located 330 feet from the North line and 990 feet from the West line (Unit D) of Section 11, Township 12 South, Range 30 East, by disposing of produced salt water down through tubing into the Graham Springs-Devonian Pool in the open hole interval from 10,370 feet to 10,393 feet and producing gas from the Morrow formation up the casing/tubing annulus in said well, which is at an unorthodox gas well location, the N/2 of said Section 11 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said well is located approximately 12.75 miles S 60° W of Caprock, New Mexico.

- CASE 9457: Application of C. W. Trainer 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 Lots 1 and 2, the S/2 NE/4, and the SE/4 of Section 6, Township 22 South, Range 34 East, forming a standard 320.60-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, to be dedicated to the Union Texas Petroleum Corporation Barbara Federal Well No. 1 to be re-entered at a standard location 1980 feet from the South line and 990 feet from the East line (Unit I) of said Section 6. Also to be considered will be the cost of re-entering and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as operator of the well and a charge for risk involved in re-entering said well. Said well is located approximately 7 miles south of Milepost No. 28 on State Highway 176.
- CASE 9458: Application of Mallon Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bell Canyon, Cherry Canyon, and Brushy Canyon formations (Delaware Mountain Group) underlying the NW/4 SW/4 (Unit L) of Section 27, Township 26 South, Range 29 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3/4 mile north of where the Pecos River crosses the Texas/New Mexico Stateline.
- CASE 9459: Application of Exxon Company, U.S.A. for an unorthodox oil well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1195 feet from the South line and 2518 feet from the East line (Unit O) of Section 28, Township 17 South, Range 35 East, Vacuum-Glorieta Pool, the SW/4 SE/4 of said Section 28 to be simultaneously dedicated to said well and to its New Mexico "K" State Well No. 21 located at a standard oil well location 330 feet from the South line and 1980 feet from the East line of said Section 28. The subject unit is located approximately 2.75 miles east of Buckeye, New Mexico.
- CASE 9460: Application of Exxon Company, U.S.A. for an unorthodox oil well location, directional drilling, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its New Mexico "K" State Well No. 34 from a surface location 1286 feet from the South line and 1333 feet from the West line (Unit N) of Section 28, Township 17 South, Range 35 East, wherein the applicant proposes to deviate said well to the Vacuum-Glorieta Pool within a window bounded by lines 1330 feet and 1480 feet from the South line and 1160 feet and 1310 feet from the West line (Unit L) of said Section 28, being an unorthodox oil well location. The NW/4 SW/4 (Unit L) of said Section 28 is to be simultaneously dedicated to said well and to its New Mexico "K" State Well No. 31 located at a standard oil well location 2310 feet from the South line and 330 feet from the West line. The subject unit is located approximately 2.25 miles east of Buckeye, New Mexico.
- CASE 9433: (Continued from August 3, 1988, Examiner Hearing.)
- Application of Santa Fe Energy Operating Partners, L. P. 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 Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 14, Township 18 South, Range 32 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8 miles south by east of Maljamar, New Mexico.
- CASE 9461: Application of BHP Petroleum Company, Inc. for non-standard proration units and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1650 feet from the South and East lines of Section 5, Township 11 South, Range 27 East, all of said Section 5 to be dedicated to said well forming a non-standard 348-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing and Lot 2 and the NW/4 SE/4 of said Section 5 to be dedicated to said well (located at an orthodox oil well location) forming a non-standard 47.06-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing. Said location is approximately 2 miles south of Milepost No. 171 on U.S. Highway 380.
- CASE 9462: Application of El Paso Natural Gas Company for an unorthodox gas well location and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1190 feet from the North line and 690 feet from the East line (Unit B) of Section 13, Township 30 North, Range 6 West, La Jara-Fruitland Pool, Lots 1 and 2 and the W/2 NE/4 of said Section 13 to be dedicated to said well forming a 113.86-acre non-standard gas spacing and proration unit for said pool. Said location is approximately 11 miles east by north of Navajo Reservoir Dam.

Dockets Nos. 23-88 and 24-88 are tentatively set for August 3 and 17, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

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

CASE 9420: (Continued from July 6, 1988, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division (OCD) on its own motion for pool creation and Special Pool Rules, San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico. The OCD on the recommendation of the Fruitland Coalbed Methane Committee, seeks the creation of a new pool for the production of gas from the coalbed seams within the Fruitland formation underlying the following described area:

Township 19 North, Ranges 1 West through 6 West;
Township 20 North, Ranges 1 West through 8 West;
Township 21 North, Ranges 1 West through 9 West;
Township 22 North, Ranges 1 West through 11 West;
Township 23 North, Ranges 1 West through 14 West;
Township 24 North, Ranges 1 East through 16 West;
Township 25 North, Ranges 1 East through 16 West;
Township 26 North, Ranges 1 East through 16 West;
Township 27 North, Ranges 1 West through 16 West;
Township 28 North, Ranges 1 West through 16 West;
Township 29 North, Ranges 1 West through 15 West;
Township 30 North, Ranges 1 West through 15 West;
Township 31 North, Ranges 1 West through 15 West; and
Township 32 North, Ranges 1 West through 13 West.

Also to be considered is the promulgation of special rules, regulations and operating procedures for said pool including, but not limited to, provisions for 320-acre spacing units, designated well locations, limited well density, horizontal wellbore and deviated drilling procedures, venting and flaring rules, and gas well testing requirements.

CASE 9431: Application of Yates Petroleum Corporation for directional drilling and unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Eland "AFC" Federal Com. Well No. 1 from a surface location 330 feet from the South line and 1650 feet from the West line (Unit N) of Section 12, Township 20 South, Range 29 East, wherein the applicant proposes to deviate said well to within 100 feet of the following targeted locations (both of which are unorthodox):

1. In the Undesignated East Burton Flat-Strawn Gas Pool - 660 feet from the North and West lines of said Section 13; and,
2. In the Undesignated Getty-Morrow Gas Pool - 991 feet from the North line and 329 feet from the West line of said Section 13.

Both zones are to be dedicated to the W/2 of said Section 13 forming a standard 320-acre gas spacing and proration unit. Said location is approximately 3.75 miles north-northwest of the junction of U.S. Highway 62/180 and State Highway 31.

CASE 9413: (Continued from July 6, 1988, Examiner Hearing)

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 9353: (Continued from June 22, 1988, Examiner Hearing)

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 9389: (Continued from July 6, 1988, Examiner Hearing)

Application of Robert N. Enfield for compulsory pooling and an unorthodox gas well location, 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 Devonian formation underlying the NW/4 of Section 29, Township 7 South, Range 31 East, to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical limits or the W/2 of said Section 29 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical limits, both aforementioned units to be dedicated to its E. McCombs Well No. 1 drilled at an unorthodox gas well location (for a 320-acre dedication) 1650 feet from the North line and 990 feet from the West line (Unit E) of said Section 29. 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 11 miles south by west of Kenna, New Mexico.

CASE 9432: Application of Leonard Resource Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 510 feet from the North line and 660 feet from the East line (Unit A) of Section 24, Township 26 South, Range 24 East, to test the Pennsylvanian formation, the N/2 of said Section 24 to be dedicated to the well. Said location is approximately 2.25 miles north of Mile Corner 81 located on the Texas/New Mexico stateline.

CASE 9433: Application of Santa Fe Energy Operating Partners, L. P. 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 Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 14, Township 18 South, Range 32 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8 miles south by east of Maljamar, New Mexico.

CASE 9434: Application of Inexco Oil Company, a wholly owned subsidiary of The Louisiana Land and Exploration 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 Shipp-Strawn Pool underlying the W/2 SE/4 of Section 35, Township 16 South, Range 37 East, to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical limits or the SW/4 SE/4 of said Section 35 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical limits, both aforementioned units to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 8 miles southwest of the old Hobbs Army Air Corps Auxiliary Airfield No. 1.

CASE 8822: (Reopened) (Continued from June 22, 1988, Examiner Hearing)

In the matter of Case No. 8822 being reopened pursuant to the provisions of Division Order No. R-8188-A, which promulgated temporary special rules and regulations for the Northeast Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, including a provision for 160-acre spacing units. Operators in the subject pool may appear and show cause why the Northeast Ojito Gallup-Dakota Oil Pool should not be developed on standard statewide 40-acre proration units.

CASE 9415: (Continued from July 6, 1988, Examiner Hearing)

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 for risk involved in drilling said well. Said units are located 7.5 miles south by west of Loco Hills, New Mexico.

CASE 9413: (Continued from June 22, 1988, Examiner Hearing)

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 9389: (Continued from June 22, 1988, Examiner Hearing)

Application of Robert N. Enfield for compulsory pooling and an unorthodox gas well location, 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 Devonian formation underlying the NW/4 of Section 29, Township 7 South, Range 31 East, to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical limits or the W/2 of said Section 29 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical limits, both aforementioned units to be dedicated to its E. McCombs Well No. 1 drilled at an unorthodox gas well location (for a 320-acre dedication) 1650 feet from the North line and 990 feet from the West line (Unit E) of said Section 29. 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 11 miles south by west of Kenna, New Mexico.

CASE 9359: (Continued from May 25, 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 9422: Application of Meridian Oil Company for central-point gas measurement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to install a central meter run at the end of El Paso Natural Gas Company's pipeline lateral 2C-90, thereby allowing 17 Ballard-Pictured Cliffs producing wells in the Canyon Large Unit to be commingled on the surface and their combined volumes to be metered at one central point. Said metering location is to be in the SE/4 of Section 4, Township 25 North, Range 7 West, being approximately 6 miles northeast by north of Nageesi, New Mexico.

CASE 9423: Application of Meridian Oil Company for central-point gas measurement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to install a central meter run at the end of El Paso Natural Gas Company's pipeline laterals 2C-18 and 2C-151, which are looped together, thereby allowing 26 Blanco Pictured Cliffs producing wells in the Lindrith Unit to be commingled on the surface and their combined volumes to be metered at one point. Said metering location to be in the NW/4 of Section 13, Township 24 North, Range 3 West, being approximately 4 miles west of Lindrith, New Mexico.

CASE 9415: (Continued from June 22, 1988, Examiner Hearing)

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.

CASE 9424: (This case will be continued to July 20, 1988)

Application of Horizon Oil and Gas Company for a non-standard oil proration unit and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an approval to commingle production from the Monument-Paddock, Monument-Blinebry, and Undesignated Monument-Tubb Pools within the wellbore of its Anderson Well No. 1 located at a standard oil well location for said zones 330 feet from the South line and 1980 feet for the East line (Unit O) of Section 8, Township 20 South, Range 37 East. Applicant further seeks approval for a 40-acre non-standard oil spacing and proration unit for the Monument-Tubb Pool production for said well comprising the SW/4 SE/4 of said Section 8. Said well is located approximately three miles south of Monument, New Mexico.

Examiner Hearing - Wednesday - July 6, 1988

CASE 9402: (Continued from June 8, 1988, Examiner Hearing)

Application of Union Texas Petroleum Corporation for an infill well finding, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order, pursuant to FERC Rule 271.305 of the Natural Gas Policy Act of 1978 and to Rule 16.A.5 of Division Order No. R-5878-B, as amended, showing that its State Com Well No. 1-A located 1028 feet from the North line and 1120 feet from the East line (Unit A) of Section 16, Township 28 North, Range 9 West, Basin-Dakota Pool, is needed to effectively and efficiently drain the existing 320-acre gas spacing and proration unit comprising the E/2 of said Section 16 which could not otherwise be produced by either the existing well or any other such well which has produced from the Basin-Dakota Pool within said unit. This unit is located approximately 4.75 miles southeast by south of Blanco, New Mexico.

CASE 9385: (Continued from June 22, 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 9425: Application of Nearburg Producing Company for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its B & B Well No. 2 to be drilled 660 feet from the South and East lines (Unit P) of Section 22, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, the E/2 of said Section 22 to be simultaneously dedicated to said well and to the existing B & B Well No. 1 located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 22. Said unit is located approximately 4.5 miles northwest of north of Seven Rivers, New Mexico.CASE 9426: Application of Nearburg Producing Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the N/2 of Section 26, Township 19 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at an unorthodox gas well location 990 feet from the North and West lines (Unit D) in 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 unit is located approximately 5 miles west of Lakewood, New Mexico.CASE 9427: Application of Nearburg Producing Company for an unorthodox gas well location, and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Parino Well No. 2 to be drilled 1500 feet from the South and West lines (Unit K) of Section 23, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, the S/2 of said Section 23 to be simultaneously dedicated to said well and to the existing Parino Well No. 1 located at a previously approved unorthodox gas well location (R-7381) 1980 feet from the South and East lines (Unit I) of said Section 23. Said unit is located approximately 4 miles northwest by north of Seven Rivers, New Mexico.CASE 9407: (Continued from June 22, 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.

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 3½ 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 Bluit, 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.

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.