

Examiner Hearing - Wednesday - August 3, 1988

CASE 9448: Application of Meridian Oil Inc. for El Paso Natural Gas Company for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1940 feet from the North line and 1325 feet from the East line (Unit G) of Section 15, Township 30 North, Range 7 West, to test the Fruitland formation, the NE/4 of said Section 15 to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said formation. This location is approximately 3.375 miles N 73° E of the Navajo Reservoir Dam.

CASE 9422: (Continued from July 6, 1988, Examiner Hearing.)

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

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 9441: (Continued from July 20, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. to amend Division Order No. R-4208, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-4208 to include the Atoka formation for production from its Leonard State "Com" Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) in the previously approved non-standard 320-acre gas proration and spacing unit for Grayburg-Morrow Gas Pool production and consisting of the NW/4, NW/4 NE/4, N/2 SW/4, and SW/4 SW/4 of Section 22, Township 17 South, Range 29 East. Said well is located approximately 5 miles west of Loco Hills, New Mexico.

CASE 9449: Application of Pennzoil Exploration & Production 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 2310 feet from the South line and 810 feet from the West line of Section 1, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, the W/2 SW/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 4.5 miles north by east of Humble City, New Mexico.

CASE 9450: Application of Pennzoil Exploration & Production Company for directional drilling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its "dry and abandoned" State "2" Well No. 1 located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 2, Township 17 South, Range 37 East, wherein the applicant proposes to deviate from vertical as to penetrate the top of the Undesignated Shipp-Strawn Pool at a true vertical depth of approximately 11,750 feet and within a 75-foot radius of an unorthodox subsurface oil well location 1600 feet from the South line and 330 feet from the West line of said Section 2, the W/2 SW/4 of said Section 2 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool. Said well is located approximately 4.5 miles north by west of Humble City, New Mexico.

CASE 9451: Application of Jerome P. McHugh & Associates for amendment to Division Order No. R-6369-B and extension of the horizontal limits of the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order modifying the restriction contained in Order No. R-6469-B which limits the special rules and regulations of the West Puerto Chiquito-Mancos Oil Pool to the limits of the pool boundary, and for the expansion of said pool to include Section 2, Township 23 North, Range 1 West. Said pool consists of a vast area just north of Lindrith, New Mexico.

Dockets Nos. 24-88 and 25-88 are tentatively set for August 17 and August 31, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 3, 1988

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

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

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

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

CASE 9444: 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 9445: Application of Maxus Exploration Company for a non-standard oil proration unit and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 660 feet from the North line and 2160 feet from the West line of Irregular Section 6, Township 11 South, Range 37 East, Undesignated Dickinson-Devonian Pool, Lot 3 and the NE/ SW/4 of said Section 6 to be dedicated to said well forming a non-standard 57.1-acre oil spacing and proration unit. Said location is approximately 10.5 miles north-northeast of Tatum, New Mexico.

CASE 9433: (Continued from July 20, 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 9424: (Continued from July 20, 1988, Examiner Hearing.)

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 from 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.

CASE 9446: Application of Arco Oil and Gas Company 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 Bone Spring formation underlying the NW/4 SE/4 (Unit J) of Section 32, Township 17 South, Range 31 East, Undesignated North Shugart-Bone Spring Pool, to form a standard statewide 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 1.75 miles south of Milepost No. 138.2 on U.S. Highway 82.

CASE 9447: Application of Arco Oil and Gas Company 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 Bone Spring formation underlying the the SE/4 SE/4 (Unit P) of Section 32, Township 17 South, Range 31 East, Undesignated North Shugart-Bone Spring Pool, to form a standard statewide 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 2 miles south of Milepost No. 138.5 on U.S. Highway 82.

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 Nageezi, 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.

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.