

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.

- CASE 9463: Application of El Paso Natural Gas Company for a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard 113.69-acre gas spacing and proration unit comprising Lots 1 and 2 and the W/2 NE/4 of Section 12, Township 30 North, Range 6 West, La Jara-Fruitland Pool, to be dedicated to a well to be drilled at a standard gas well location 1850 feet from the North line and 790 feet from the East line (Unit G) of said Section 12. Said location is approximately 11.5 miles east by north of the Navajo Reservoir Dam.
- CASE 9464: Application of Meridian Oil, Inc. for an unorthodox gas well location and a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1660 feet from the North line and 1320 feet from the West line (Unit F) of Section 18, Township 30 North, Range 8 West, Undesignated Blanco-Fruitland Pool, Lots 1 and 2 and the E/2 NW/4 of said Section 18 to be dedicated to said well, forming a non-standard 111.66-acre gas spacing and proration unit for said pool. Said location is approximately 6 miles west by north of the Navajo Reservoir Dam.
- CASE 9465: Application of Meridian Oil Inc. for a horizontal drain hole pilot project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its Corbin State Well No. 1, surface location 1980 feet from the North and West lines of Section 16, Township 18 South, Range 33 East, Undesignated South Corbin-Bone Spring Pool, and plug back to approximately 11,320 feet and thence to drill a short radius curve and thence to drill horizontally in a westerly direction approximately 660 feet. The terminus of the bottomhole location will be unorthodox no closer than 1380 feet from the West line of said Section 16. The proposed horizontal section will be located in said pool at a depth of approximately 11,320 feet and will be totally contained within a standard 80-acre oil proration unit being the S/2 NW/4 of said Section 16. Said location is approximately 8.5 miles southeast of Maljamar, New Mexico.
- CASE 9439: (Continued from July 20, 1988, Examiner Hearing.)
- Application of Union Pacific Resources Company for pool extension and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to extend the horizontal limits of the Vada-Devonian Pool to include the NW/4 of Section 35, Township 10 South, Range 33 East, and for the promulgation of temporary special rules and regulations for said pool including a provision for 80-acre spacing and proration units, designated well locations, and a poolwide exception to Division Rule 111 allowing for directional drilling or well deviations of more than 5 degrees in any 500-foot interval. Said pool area is located approximately 9.75 miles N 82° E of Caprock, New Mexico.
- CASE 9440: (Continued from July 20, 1988, Examiner Hearing.)
- Application of Union Pacific Resources Company for directional drilling and an unorthodox (subsurface) oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to plug back its State 26 Well No. 2, surface location 1910 feet from the South line and 1980 feet from the East line (Unit J), to 9,900 feet and then commence drilling directionally to penetrate the top of the Undesignated Vada-Devonian Pool at a true vertical depth of approximately 12,900 feet and within a 150-foot radius of an unorthodox subsurface location 1910 feet from the South line and 2580 feet from the East line (Unit J) of Section 26, Township 10 South, Range 33 East, with the N/2 SE/4 of said section being dedicated to said well, forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 10.25 miles N 80° E of Caprock, New Mexico.
- CASE 9436: (Readvertised)
- Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1340 feet from the South line and 660 feet from the West line (Unit L) of Section 8, Township 19 South, Range 26 East, Undesignated West Four Mile Draw-Morrow Gas Pool, the S/2 of said Section 8 to be dedicated to said well. This location is approximately 3.5 miles northwest of Lakewood, New Mexico.
- CASE 9466: Application of Nearburg Producing Company for a non-standard gas proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 990 feet from the North and East lines (Unit A) of Section 12, Township 19 South, Range 25 East, to test the Morrow formation, Undesignated Boyd-Morrow Gas Pool, the N/2 of said Section 12 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said formation. In the alternative, applicant seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the NE/4 of said Section 12 to be dedicated to said well. Said location is approximately 3.75 miles west of Lakewood, New Mexico.
- CASE 9467: 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 and East lines (Unit A) of Section 25, Township 16 South, Range 36 East, to test the Strawn formation, Undesignated Northeast Lovington-Pennsylvanian Pool, the N/2 NE/4 of said Section 25 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said formation. Said location is approximately four miles southeast of Lovington, New Mexico.

CASE 9468: 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 9469: 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 2560 feet from the West line (Unit C) of Section 30, Township 16 South, Range 37 East, to test the Strawn formation, Undesignated Northeast Lovington-Pennsylvanian Pool, the E/2 NW/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 9446: (Continued from August 3, 1988, Examiner Hearing.)

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

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 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.

Docket No. 25-88

DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 18, 1988

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

CASE 9404: (De Novo)

Application of Nearburg Producing Company for a non-standard oil proration unit and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 330 feet from the North and West lines (Unit D) of Section 30, Township 16 South, Range 37 East, Undesignated Northeast Lovington-Pennsylvanian Pool, said well to be dedicated to Lots 1 and 2 of said Section 30 thereby forming a 100.49-acre non-standard oil proration and spacing unit for said pool. Said location is approximately 4.3 miles southeast of Lovington, New Mexico. Upon application of Nearburg Producing Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

SUPPLEMENT TO DOCKET NO. 24-88

CASE 9451: (Continued from August 3, 1988)

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-Blaine, 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 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.

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 Nageezi, 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.

CASE 9443: (Continued from July 20, 1988, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

(a) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Baca-Gallup Oil Pool. The discovery well is the Union Texas Petroleum Corporation Newsom "A" Well No. 20 located in Unit J of Section 4, Township 26 North, Range 8 West, NMPM. Said pool would comprise:

TOWNSHIP 26 NORTH, RANGE 8 WEST, NMPM

Section 3: SW/4 SW/4
Section 4: NW/4 SE/4 and S/2 S/2
Section 5: SE/4 SE/4
Section 9: NE/4 and E/2 NW/4
Section 10: W/2 NW/4 and NW/4 SW/4

(b) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Cedro-Gallup Pool. The discovery well is the Northwest Pipeline Company Rosa Unit Well No. 109 located in Unit M of Section 9, Township 31 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Section 4: SW/4
Section 9: W/2

(c) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Potter-Gallup Oil Pool. The discovery well is the Union Texas Petroleum Corporation State 16 Well No. 1 located in Unit E of Section 16, Township 28 North, Range 9 West, NMPM. Said pool would comprise:

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Section 16: SW/4 NE/4, S/2 NW/4
W/2 SE/4, and SW/4

(d) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Willow-Gallup Pool. The discovery well is the Northwest Pipeline Corporation Rosa Unit Well No. 87 located in Unit H of Section 28, Township 31 North, Range 4 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 4 WEST, NMPM

Section 10: E/2
Section 11: All
Section 12: W/2
Section 14: All
Section 22: E/2
Section 23: All
Section 24: W/2
Section 27: N/2
Section 28: NE/4

(e) EXTEND the Angels Peak-Gallup Associated Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM

Section 4: NW/4
Section 5: N/2

(f) EXTEND the Big Gap-Organ Rock Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM

Section 29: S/2

(g) EXTEND the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM

Section 31: E/2 SW/4

- (h) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 25: SE/4
Section 36: N/2 NE/4

- (i) EXTEND the Blanco-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 9: NE/4

- (j) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM
Section 17: E/2

- (k) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 20: SE/4
Section 29: NE/4

- (l) EXTEND the East Blanco-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 2 WEST, NMPM
Section 7: All
Section 18: All

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM
Sections 7 through 32: All

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM
Section 10: SE/4
Section 11: SW/4
Section 12: S/2
Section 13: All
Section 14: W/2
Section 15: E/2
Section 24: All

- (m) EXTEND the Escrito-Gallup Associated Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 36: NE/4

- (n) EXTEND the Gallegos-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM
Section 23: NW/4

- (o) EXTEND the Laguna Seca-Gallup Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM
Section 19: SE/4
Section 20: S/2
Section 21: S/2
Section 22: SW/4
Section 27: W/2
Sections 28 and 29: All
Section 30: NE/4
Section 32: NE/4
Section 33: NW/4

- (p) EXTEND the Largo Gallup Gas Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 2: W/2

- (q) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 35: SE/4 SW/4

- (r) EXTEND the Sedro Canyon-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 23: SW/4