

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, Chavez 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. 26-88 and 27-88 are tentatively set for August 31 and September 14, 1988. Application 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, Alternates:

CASE 9452: In the matter of the hearing called by the Oil Conservation Division on its own motion establishing 33 non-standard gas proration and spacing units for any and all formations developed on 160-acre spacing in Sections 6, 7, 18, 19, 30, and 31, all in Township 29 West; Sections 6, 7, 18, 19, 30, and 31, all in Township 30 North, Range 3 West; Sections 19, 30, and 31, all in Township 31 North, Range 3 West; and Sections 7, 8, 9, 10, 11, 12, and 31, all in Township 32 North, Range 3 West, Rio Arriba County, New Mexico. Said area extends along the boundary of the Jicarilla Apache Indian Reservation and the Carson National Monument 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 Applicant, in the above-styled cause, seeks approval of the Ervin Ranch Unit Area, 1,000 acres, more or less, of State and Fee lands in portions of Townships 10 and 11 South, Range 3 East. The center of said unit area is located approximately one mile south of Milepost 380 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 Yates Pool located in portions of Township 20 South, Ranges 27 and 28 East, including an increase in the gas-oil ratio limitation to 5,000 cubic feet of gas per barrel of oil. Said pool 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 in Case No. 9249 on January 6, 1988, by changing the unorthodox gas well location from 2,310 feet from the South line and 750 feet from the West line (Unit L) of Section 19 South, Range 27 East. All other provisions in said Order No. R-8578 will remain in effect. Said location is approximately 17 miles southeast of Artesia, New Mexico. In 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 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 Hurst Pool thereby forming a standard 80-acre oil spacing and proration unit for said pools to be dedicated to said well if completed in or any other formation and may be developed on 40-acre spacing. Said location is approximately 4.5 miles north by west of Hobbs, 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 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 said Section 13 to be dedicated to said well, forming a standard 80-acre oil spacing unit for the Undesignated South Humble City-Strawn and Undesignated Humble City-Atoka pools. Said Section 13 to be dedicated to said well if completed in any other formation and may be developed on 40-acre spacing. Said location is approximately 2.5 miles north-northwest of Hobbs, New Mexico.

CASE 9456: Application of Foy and Middlebrook for an unorthodox gas well location, dual completion water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval to complete its Culp Ranch Unit Well No. 2 located 330 feet from the North line and 330 feet from the West line (Unit D) of Section 11, Township 12 South, Range 30 East, by disposing of water down through tubing into the Graham Springs-Devonian Pool in the open hole interval from 10,393 feet and producing gas from the Morrow formation up the casing/tubing annulus. 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 12.75 miles S 60° W of Caprock, New Mexico.

CASE 9462: (Continued from August 17, 1988, Examiner Hearing.)

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 the Navajo Reservoir Dam.

CASE 9463: (Continued from August 17, 1988, Examiner Hearing.)

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 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 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: (Continued from August 17, 1988, Examiner Hearing.)

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 9473: (Continued from August 31, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 100.25-acre, more or less, non-standard gas spacing and proration unit for production from the Undesignated Blanco-Fruitland Pool comprising Lots 6 and 7 and the E/2 SW/4 of Section 6, Township 30 North, Range 9 West. Said unit is to be dedicated to a well to be drilled at a standard gas well location 1890 feet from the South line and 1043 feet from the West line (Unit K) of said Section 6, which is located approximately 9 miles east of Aztec, New Mexico.

CASE 9474: (Continued from August 31, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 100.55-acre, more or less, non-standard gas spacing and proration unit for Undesignated Blanco-Fruitland Pool production comprising Lots 3 and 4 and the E/2 SW/4 of Section 7, Township 30 North, Range 9 West. Said unit is to be dedicated to a well to be drilled at a standard gas well location 1595 feet from the South line and 855 feet from the West line (Unit K) of said Section 7, which is located approximately 9 miles east of Aztec, New Mexico.

CASE 9359: (Continued from July 6, 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 9458: (Continued from August 31, 1988, Examiner Hearing.)

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 9486: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Chaves and Eddy Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Filaree Dome-Delaware Pool. The discovery well is the Primary Fuels PFI Amoco 19 Federal Well No. 2 located in Unit K of Section 19, Township 22 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 19: SW/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the South Lusk-Delaware Pool. The discovery well is the Siete Oil and Gas Corporation Nugget State Well No. 1 located in Unit A of Section 36, Township 19 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 36: NE/4

(c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and designated as the Miller Lake-Abo Gas Pool. The discovery well is the MorOilCo, Inc. O'Brien Well No. 1 located in Unit C of Section 25, Township 7 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 29 EAST, NMPM
Section 25: NW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Pierce Crossing-Wolfcamp Pool. The discovery well is the Enron Oil and Gas Company Queen Lake 20 Federal Well No. 1 located in Unit E of Section 20, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 20: W/2

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Wooten Ranch-Atoka Gas Pool. The discovery well is the BTA Oil Producers 8710 JV-P Tank Well No. 1 located in Unit P of Section 33, Township 23 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 33: S/2

(f) ABOLISH the Buffalo Valley-Morrow Gas Pool in Chaves County, New Mexico, and extend the Buffalo Valley-Pennsylvanian Gas Pool to include said abolished acreage.

(g) EXTEND the Atoka Glorieta-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 25: SE/4 and S/2 SW/4

(h) EXTEND the Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 28: SE/4

(i) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 11: W/2
Section 14: N/2
Section 15: E/2

(j) EXTEND the Floor Ranch-Wolfcamp Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 14: E/2
Section 25: N/2
Section 26: N/2