

CASE 10303: Application of BASF Corporation for amendment of Division Order No. R-9255, as amended by Order No. R-9255-A, to provide for a horizontal drilling pilot project, special operating rules therefor, a non-standard oil proration unit, and an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9255, as amended by R-9255-A, to form a new 160-acre non-standard oil spacing and proration unit for its horizontal directional drilling pilot project comprising the N/2 SW/4, SW/4 SW/4, and NW/4 SE/4 of Section 28, Township 31 North, Range 14 West, as projected into the unsurveyed Ute Mountain Indian Reservation. The applicant proposes to utilize its existing Ute Mt. Tribal "28" Well No. 14 located at an unorthodox surface location 1284 feet from the South line and 1112 feet from the West line (Unit M) of said Section 28, kick-off from vertical at a depth of approximately 4,435 feet in a northeasterly direction. Applicant further seeks special rules and provisions within the pilot project area including the designation of a prescribed area limiting the horizontal displacement of the wellbore such that its productive interval can be no closer than 50 feet to the outer boundary of its assigned spacing and proration unit and special allowable provisions for the corresponding sized oil proration unit. Said project area is located approximately 12 miles northwest by north of Farmington, New Mexico.

CASE 10291: (Continued from April 18, 1991, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and assigning discovery allowables to certain pools in Lea County, New Mexico.

- (a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated the South Shoe Bar-Wolfcamp Pool. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 1: NE/4

In addition, the discovery well for said South Shoe Bar-Wolfcamp Pool, the Mobil Exploration and Producing US Inc. Lovington Deep State Well No. 3 located in Unit G of Section 1, Township 17 South, Range 35 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 51,240 barrels of oil to be assigned over a two year period.

- (b) Assign a bonus discovery allowable of 37,930 barrels of oil to the Mitchell Energy Corporation Geronimo Federal Well No. 1 located in Unit D of Section 31, Township 19 South, Range 33 East, NMPM, the discovery well for the Geronimo-Delaware Pool. This discovery allowable is to be assigned over a two-year period.

DOCKET 13-91

DOCKET: COMMISSION HEARING - THURSDAY - MAY 9, 1991

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

(The Land Commissioner's designee for this hearing will be Jami Bailey)

CASE 10251: (De Novo)

Application of Kaiser-Francis Oil Company for a pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of gas from the Delaware formation comprising the SE/4 of Section 8, Township 21 South, Range 26 East. Said area is located approximately 7 miles northwest of Carlsbad, New Mexico. Upon application of Kaiser-Francis Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10300: Application of American Hunter Exploration, Ltd. for a high angle/horizontal/ directional drilling pilot project, special operating rules therefor, and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the formation of a 640-acre non-standard oil spacing and proration unit in the East Puerto Chiquito-Mancos Oil Pool comprising all of Section 6, Township 27 North, Range 1 East, for the purpose of initiating a high angle/horizontal directional drilling pilot project. The applicant proposes to commence its Jicarilla 6-A Well No. 1 to be located at a standard oil well location 660 feet from the North line and 700 feet from the East line (Unit A) of said Section 6, drill vertically to a depth of approximately 2850 feet, evaluate the pay zone, plug-back to an appropriate depth and kick-off in a westerly direction, build angle to approximately 80 degrees, and continue to drill a high angle hole in the Mancos formation for approximately 2000 feet. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore to a target window described as a rectangle 330 to 2160 feet from the North line and 700 to 3200 feet from the East line of said Section 6. Also to be considered will be special allowable provisions for a quadruple sized oil proration unit for this pool. Said unit is located approximately 22.5 miles south of Monero, New Mexico.

CASE 10301: Application of American Hunter Exploration, Ltd. for a high angle/horizontal/ directional drilling pilot project, special operating rules therefor, and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the formation of a 640-acre non-standard oil spacing and proration unit in the East Puerto Chiquito-Mancos Oil Pool comprising all of Section 18, Township 27 North, Range 1 East, for the purpose of initiating a high angle/horizontal directional drilling pilot project. The applicant proposes to commence its Jicarilla 18-A Well No. 1 to be located at a standard oil well location 660 feet from the North line and 750 feet from the East line (Unit A) of said Section 18, drill vertically to a depth of approximately 3650 feet, evaluate the pay zone, plug-back to an appropriate depth and kick-off in a westerly direction, build angle to approximately 80 degrees, and continue to drill a high angle hole in the Mancos formation for approximately 2000 feet. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore to a target window described as a rectangle 330 to 2160 feet from the North line and 750 to 3250 feet from the East line of said Section 18. Also to be considered will be special allowable provisions for a quadruple sized oil proration unit for this pool. Said unit is located approximately 24.5 miles south of Monero, New Mexico.

CASE 10302: Application of American Hunter Exploration, Ltd. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project within a standard 645.28-acre oil spacing and proration unit in the West Puerto Chiquito-Mancos Oil Pool comprising all of Section 2, Township 27 North, Range 1 West. The applicant proposes to commence its Jicarilla 2A Well No. 1 to be located at an unorthodox oil well location 600 feet from the North line and 1150 feet from the East line (Unit A) of said Section 2, drill vertically to a depth of approximately 4550 feet, evaluate the pay zone, plug back to an appropriate depth and kick-off in a westerly direction, build angle to approximately 80 degrees, and continue to drill a high angle hole in the Mancos formation for approximately 2000 feet. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore to a target window described as a rectangle 330 to 2100 feet from the North line and 1150 to 3650 feet from the East line of said Section 2. Said unit is located approximately 24 miles south by east of Dulce, New Mexico.

CASE 10286: (Readvertised)

Application of American Hunter Exploration, Ltd. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, two non-standard oil proration units, and two unorthodox oil well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a high angle/horizontal directional drilling pilot project in Sections 4 and 6, Township 27 North, Range 1 West, forming two non-standard oil spacing and proration units in the West Puerto Chiquito-Mancos Oil Pool comprising 651.76 acres and 620.97 acres, respectively. Within each proration unit the applicant proposes to commence from surface unorthodox oil well locations (Section 4: 330 feet from the North and East lines and Section 6: 450 feet from the North line and 400 feet from the East line), drill vertically to a depth of 7500 feet, plug back to an appropriate depth and kick-off in a westerly direction, build angle to approximately 80 degrees, and continue to drill a high angle hole in the Mancos formation for approximately 2000 feet. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of each wellbore in each proration unit to the following described target windows: Section 4: 330 to 1830 feet from the North line and 330 to 2830 feet from the East line; and Section 6: 330 to 1950 feet from the North line and 400 to 2900 feet from the East line. Said area is located approximately 24 miles south of Dulce, New Mexico.