

Dockets Nos. 10-92 and 11-92 are tentatively set for April 2, 1992 and April 16, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 19, 1992

**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 7894: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Petro-Lewis Corporation, Dyna Ray Oil and Gas Company, Inc., Floyd J. Ray and all other interested parties to appear and show cause why the Earnhardt Well No. 1 located in Unit G of Section 35, Township 24 North, Range 1 West, Rio Arriba County, should not be plugged and abandoned in accordance with a Division-approved plugging program. Said Case 7894 was originally called in June of 1983 and continued indefinitely at that time. The subject well has now been plugged and, therefore, this case will be dismissed.

CASE 10445: (Continued from February 20, 1992, Examiner Hearing.)

Application of Western Reserves Oil Company Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Northwest Jenkins-San Andres Pool underlying the NE/4 NE/4 (Unit A) of Section 9, Township 9 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the plugged and abandoned Midwest Oil Corporation James Petroleum "A" Well No. 1 located 660 feet from the North and East lines of said Section 9. Also to be considered will be the cost of re-entering and recompleting 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 re-entering and recompleting said well. Said well is located approximately 7.5 miles west-northwest of Crossroads, New Mexico.

Application of Yates Petroleum Corporation 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 to complete its Mojave "AJY" Com. Well No. 1 in the Undesignated Cemetery-Morrow Gas Pool at an unorthodox gas well location 990 feet from the North line and 660 feet from the East line (Unit D) of Irregular Section 35, Township 20 1/2 South, Range 23 East, all of said Section 35 to be dedicated to said well forming a non-standard 334.92-acre gas spacing and proration unit for said pool. Said unit is located approximately 10 miles west-southwest of Seven Rivers, New Mexico.

CASE 10454: Application of Southland Royalty Company for downhole commingling, unorthodox gas well location and to amend Division Administrative Order NWU-56, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas productions from the Fulcher Kutz-Pictured Cliffs Pool and the Basin Fruitland Coal (Gas) Pool within the wellbore of its proposed Cozzens Com Well No. 10 to be drilled at an unorthodox gas well location for both producing horizons 975 feet from the North line and 1785 feet from the West line (Unit C) of Section 19, Township 29 North, Range 11 West. Lots 1 and 2, the NE/4 and E/2 NW/4 (N/2 equivalent) of said Section 19 forming a standard 317.55-acre gas spacing and proration unit for the Basin Fruitland Coal (Gas) Pool is to be dedicated to said well. Further, Division Administrative Order NWU-56, dated May 17, 1955, which authorized a non-standard 160-acre gas spacing and proration unit in the Fulcher Kutz-Pictured Cliffs Pool comprising the W/2 NE/4 and E/2 NW/4 of said Section 19 is to be amended to show that the proposed Well No. 10 is to replace the existing Cozzens Well No. 2 located in Unit B as the unit's only producing well. Said area is located approximately 2 miles west of Bloomfield, New Mexico.

CASE 10455: Application of Southland Royalty Company for an unorthodox gas well location, downhole commingling, and to amend Division Administrative Order NWU-80, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Fulcher Kutz-Pictured Cliffs Pool and the Basin Fruitland Coal (Gas) Pool within the wellbore of its proposed Aztec Well No. 700 to be drilled at an unorthodox well location for both producing horizons 2280 feet from the South line and 1500 feet from the West line (Unit K) of Section 14, Township 28 North, Range 11 West. The S/2 of said Section 14 forming a standard 320-acre gas spacing and proration unit for the Basin Fruitland Coal (Gas) Pool is to be dedicated to said well. Further, Division Administrative Order NWU-80, dated May 20, 1955, which authorized a non-standard 160-acre gas spacing and proration unit in the Fulcher Kutz-Pictured Cliffs Pool comprising the W/2 NW/4 and N/2 SW/4 of said Section 14 is to be amended to show that the proposed Aztec Well No. 700 is to replace the existing Aztec Well No. 3 located in Unit E as the unit's only producing well. Said area is located approximately 4 miles south by east of Bloomfield, New Mexico.

CASE 10451: (Continued from March 5, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for a special poolwide depth bracket oil allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a special depth bracket oil allowable, pursuant to Division (General) Rule 505-D, for the East Lusk-Delaware Pool located in portions of Sections 26 and 35, Township 19 South, Range 32 East, whereby the pool wide allowable would be based on the deeper perforations (rather than the shallowest as provided for in General Rule 505-A) in the wells presently completed in this pool. Said pool area is located approximately 13.5 miles west-southwest of the Hobbs Army Airforce Auxiliary Airfield No. 4.

CASE 10446: (Continued from February 20, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. Lot 2 of said Section 2 is to be dedicated to said well forming a 39.81-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

CASE 10447: (Continued from February 20, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SW/4 NE/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

CASE 10448: (Continued from February 20, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the South line and 2310 feet from the West line (Unit N) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SE/4 SW/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for either the Undesignated Lost Tank-Delaware Pool or the Undesignated Livingston Ridge-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

CASE 10449: (Continued from February 20, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 1980 feet from the South line and 2310 feet from the West line (Unit K) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The NE/4 SW/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for either the Undesignated Lost Tank-Delaware Pool or the Undesignated Livingston Ridge-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.