

Dockets Nos. 22-92 and 23-92 are tentatively set for July 23, 1992 and August 6, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JULY 9, 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 10499: Application of Mitchell Energy Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Comanche State Unit Agreement for an area comprising 2556.56 acres, more or less, of State lands in all or portions of Sections 3, 4, 9, and 10 of Township 21 South, Range 33 East, which is centered approximately 1.5 miles south of State Highway No. 176 at mile marker 19.

CASE 10500: Application of Giant Exploration and Production Company for a cooperative lease secondary recovery pilot project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a secondary recovery pilot project in the Bisti-Lower Gallup Oil Pool by the injection of water into the perforated interval from approximately 4747 feet to 4757 feet in the Colleen Simpson Well No. 1 located 330 feet from the South line and 1650 feet from the East line (Unit O) of Section 25, Township 25 North, Range 12 West. The proposed project area is to consist of two or more of the applicant's leases in Sections 25 and 36 of Township 25 North, Range 12 West, which is located approximately 7 miles south-southwest of the B.I.A. Huerfano Community School.

CASE 10497: (Readvertised)

Application of Mewbourne Oil Company for two secondary recovery pilot projects, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to institute two secondary recovery pilot projects in the Querecho Plains-Upper Bone Spring Pool within Township 18 South, Range 32 East, on its Government "K" Lease by the injection of water from approximately 8454 feet to 8515 feet in Well No. 2 located 1950 feet from the South line and 1980 feet from the West line (Unit K) of Section 23 and on its Federal "E" Lease by the injection of water into the perforated interval from approximately 8501 feet to 8530 feet in Well No. 10 located 2310 feet from the North and East lines (Unit G) and from approximately 8360 feet to 8486 feet in Well No. 11 located 660 feet from the North line and 530 feet from the East line (Unit A) both in Section 27. Said pool is centered approximately 9 miles south by east of Maljamar, New Mexico.

~~CASE 10501~~ Application of Mewbourne Oil 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 Morrow formation underlying the following described acreage in Section 23, Township 19 South, Range 27 East, and in the following manner: the S/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated McMillan-Atoka Gas Pool, Undesignated Angell Ranch-Atoka Morrow Gas Pool, Undesignated North McMillan-Morrow Gas Pool, and Undesignated South Millman-Morrow Gas Pool; the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within said vertical extent; and the NW/4 SE/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Millman-Grayburg Pool and Undesignated West Millman-Grayburg Pool. Said units are to be dedicated to a single well to be drilled at a standard location in Unit J. 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 7 miles east by north of Lakewood, New Mexico.

CASE 10502: (This Case will be continued to August 6, 1992.)

Application of Meridian Oil Inc. 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 Delaware formation or to a depth of 8700 feet, whichever is deeper, underlying the NW/4 NW/4 (Unit D) of Section 23, Township 22 South, Range 33 East, forming a standard 40-acre oil spacing and proration unit within said vertical extent. Said unit is 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6.25 miles north-northwest of the junction of State Highway No. 128 and the Delaware Basin Road.

EXAMINER HEARING - THURSDAY - JULY 9, 1992

CASE 10503: (This Case will be continued to August 6, 1992.)

Application of Meridian Oil Inc. 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 Delaware formation or to a depth of 8700 feet, whichever is deeper, underlying the SW/4 NW/4 (Unit E) of Section 23, Township 22 South, Range 33 East, forming a standard 40-acre oil spacing and proration unit within said vertical extent. Said unit is 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6 miles north-northwest of the junction of State Highway No. 128 and the Delaware Basin Road.

CASE 10504: (This Case will be continued to August 6, 1992.)

Application of Meridian Oil Inc. 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 Delaware formation or to a depth of 8700 feet, whichever is deeper, underlying the NW/4 SW/4 (Unit L) of Section 24, Township 22 South, Range 33 East, forming a standard 40-acre oil spacing and proration unit within said vertical extent. Said unit is 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 5.5 miles north by west of the junction of State Highway No. 128 and the Delaware Basin Road.

CASE 10458: (Continued from April 2, 1992, Examiner Hearing.)

Application of Meridian Oil Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, a non-standard gas-oil proration unit, an unorthodox well location and a special project allowable, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Angel Peak-Gallup Associated Pool underlying all of Section 35, Township 27 North, Range 10 West, thereby creating a non-standard 640-acre gas or oil spacing and proration unit for said pool. The applicant proposes to drill its Huerfano Unit Well No. 306 from a tentative unorthodox surface location 1455 feet from the South line and 1550 feet from the West line (Unit K) of Section 35, Township 27 North, Range 10 West, kick-off from vertical in a southeasterly direction until an angle of approximately 90 degrees is achieved and continue drilling horizontally for approximately 3015 feet. Applicant, further seeks the adoption of special operating provisions and rules within the pilot project area including the designation of a target window for said horizontal wellbore described as a rectangle 790 feet from the South, East, and West lines and 3430 feet from the North line of said Section 35 and for a special project allowable. Said unit is centered a mile south of the U.S. Bureau of Land Management's Angel Peak Recreational Area Campground.

CASE 10479: (Continued from June 25, 1992, Examiner Hearing.)

Application of Bird Creek Resources, Inc. 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 Delaware formation underlying the NW/4 NE/4 (Unit B) of Section 22, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent which presently includes but is not necessarily limited to the East Loving-Delaware Pool. Said unit is 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 for risk involved in drilling said well. Said area is located approximately 1.75 miles east-northeast of Loving, New Mexico.

CASE 10505: **Application of United Gas Search, Inc. for a credit for enhanced oil recovery, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks a credit for enhanced oil recovery covering the following leases: Glenn-Ryan (Leonard Federal) Lease comprising all of Section 11 and the S/2 of Section 14, Township 26 South, Range 37 East, save and except as to depths below 3600 feet subsurface in the SE/4 SE/4 of said Section 11 and as to depths between the surface and 3600 feet subsurface in the SW/4 SW/4 of said Section 14; Glenn-Ryan (Leonard Brothers) Lease comprising all of Section 13 and the N/2 of Section 14, Township 26 South, Range 37 East, save and except as to the Queen formation in the SE/4 SW/4 of said Section 13; and the Leonard Brothers "A" Lease comprising the N/2 N/2, SE/4 NW/4, and the SW/4 NE/4 of Section 23, Township 26 South, Range 37 East, save and except as to the Queen formation in the NE/4 NE/4 of said Section 23. Said leases are located approximately 5 miles east-southeast of Bennett, New Mexico.

CASE 10506: Application of American Hunter Exploration, Ltd. for an exception to the provisions of the Division's No-Flare Rule 306; cancellation of overproduction or, in the alternative, special provisions governing overproduction; and the adoption of special operating procedures, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order permitting the Jicarilla "3F" Well No. 1, surface location being 1845 feet from the North line and 1900 feet from the West line (Unit F) of Section 3, Township 27 North, Range 1 West, (which is approximately 24 miles south of Dulce, New Mexico), to continue to produce at a rate no higher than that which corresponds to the 800 barrels of oil per day and associated GOR of 2,000 to 1 which is established by the Special Pool Rules and Regulations for the West Puerco Chiquito-Mancos Oil Pool; granting an exception to the No-Flare Provisions of Division General Rule 306; canceling the current overproduction for the Jicarilla "3F" Well No. 1 or, in the alternative, adopting special provisions governing how this overproduction shall be calculated and made up; and adopting special operating procedures which will permit the Jicarilla "3F" Well No. 1 to be produced in accordance with a Division approved program for the effective production and development of the Mancos Formation in this area; and granting such other relief as the Division deems appropriate.

CASE 10507: Application of C & C Landfarm Inc. for a commercial surface waste disposal facility, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to construct and operate a commercial landfarm facility for remediation of non-hazardous hydrocarbon-contaminated soils using an enhanced biodegradation process. Said area is to be located in the SW/4 NE/4 (Unit G) of Section 3, Township 20 South, Range 37 East, which is approximately 2 miles southeast of Monument, New Mexico. This application has been administratively determined to be approvable, and this hearing is scheduled to allow parties the opportunity to present technical evidence why the application should not be approved pursuant to the rules of the Division. In the absence of objection, this application will be taken under advisement.

DOCKET 21-92

DOCKET: COMMISSION HEARING - THURSDAY - JULY 16, 1992
9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

The Land Commissioner's designee for this hearing will be Gary Carlson

CASE 10508: In the matter of Case 10508 being called by the Oil Conservation Commission on its own motion pursuant to the provisions of Division Order No. R-6446-B which approved the Bravo Dome Carbon Dioxide Gas Unit Agreement in Harding, Union and Quay Counties, New Mexico, to permit Amoco Production Company, the operator of said unit, to review operations and demonstrate to the Commission that its operations within the unit are resulting in the prevention of waste and the protection of correlative rights on a continuing basis.

CASE 10462: (De Novo)

Application of Marathon Oil Company for termination of oil prorationing in the Vacuum-Glorieta Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 505 for the Vacuum-Glorieta Pool, located in portions of Townships 17 and 18 South, Ranges 34 and 35 East, whereby the allowable for each well producing from said pool would equal its producing capability. Said pool is centered approximately 11 miles east of Buckeye, New Mexico. Upon application of Marathon Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.