

**DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 18, 1994**  
**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

Dockets Nos. 25-94 and 26-94 are tentatively set for September 1, 1994 and September 15, 1994. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 9253:** (Reopened - Continued from August 4, 1994, Examiner Hearing.)

In the matter of Case No. 9253 being reopened pursuant to the provisions of Division Order No. R-8546, which order created the Santo Nino-Bone Spring Pool in Eddy County, New Mexico, and promulgated Temporary Special Rules and Regulations, including a provision for 80-acre spacing and proration units and designated well locations. All operators in said pool may appear and show cause why the Santo Nino-Bone Spring Pool should not be developed on 40-acre spacing units.

**CASE 11066:** **Application of Yates Energy Corporation for a unit agreement, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval of the McGruder Hill Unit Agreement for an area comprising 1543.82 acres, more or less, of Federal, State and Fee lands in portions of Sections 11 through 14, Township 22 South, Range 25 East, which is centered approximately 7.5 miles west-southwest of Carlsbad, New Mexico.

**CASE 10996:** (Continued from August 4, 1994, Examiner Hearing.)

**Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 22, Township 18 South, Range 32 East, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to its existing Querecho Plains Unit Well No. 1 which was drilled at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 22. Also to be considered will be the valuation of the existing wellbore and the cost of recompleting 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 recompleting said well. Said unit is located approximately 8 miles south-southwest from Maljamar, New Mexico.

**CASE 11049:** (Continued from August 4, 1994, Examiner Hearing.)

**Application of Matador Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 29, Township 15 South, Range 30 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Little Lucky Lake-Morrow Gas Pool. Said unit is to be dedicated to the existing Paloma Resources, Inc.'s Peery Federal Well No. 3 located at an unorthodox gas well location 1820 feet from the South line and 2140 feet from the West line (Unit K) of said Section 29. Also to be considered will be the costs of participation in said well and the allocation of the costs and income thereof as well as actual operating costs and charges for supervision and designation of applicant as the operator of the well. Said unit is located approximately 11.5 miles north by east of Loco Hills, New Mexico.

**CASE 11038:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Meridian Oil Inc. for downhole commingling, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks exceptions from Division General Rule 303(C) to establish on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde and Gallup gas production in the wellbores of existing or future wells drilled anywhere within Sections 26 through 30, 33, 34 and S/2 of 35 in Township 26 North, Range 6 West, said production being portions of the Basin-Dakota Pool, the Blanco Mesaverde Pool and Undesignated Gallup production. The center of said area is located approximately 4 miles southeast of El Paso Natural Gas Company Largo Station, New Mexico.

**CASE 11067:** **Application of Meridian Oil Inc. for a CO<sub>2</sub> injection pilot project, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to institute a carbon-dioxide (CO<sub>2</sub>) gas injection pilot project within a portion of its Allison Unit Area by the injection of carbon-dioxide into the Basin-Fruitland Coal (Gas) Pool through four certain wells to be drilled in Section 24, Township 32 North, Range 7 West and Sections 19 and 30, Township 32 North, Range 6 West. Said project area is located approximately 2.5 miles south of the Colorado/New Mexico state-line at Mile Corner No. 246.

**CASE 11028:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle South Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com Well No. 47, located 1760 feet from the South line and 835 feet from the West line (Unit L) of Section 2, Township 27 North, Range 8 West, which is located approximately 13 miles southeast by east of Blanco, New Mexico.

**CASE 11029:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "G" Well No. 2A, located 1650 feet from the South and East lines (Unit J) of Section 32, Township 29 North, Range 8 West, which is located approximately 8 miles east-southeast of Blanco, New Mexico.

**CASE 11030:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "R" Well No. 14, located 940 feet from the South line and 990 feet from the West line (Unit M) of Section 36, Township 30 North, Range 9 West, which is located approximately 6 miles east-northeast of Turley, New Mexico.

**CASE 11031:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "Q" Well No. 13A, located 1500 feet from the South line and 1450 feet from the East line (Unit J) of Section 36, Township 29 North, Range 8 West, which is located approximately 12 miles east by south of Blanco, New Mexico.

**CASE 11032:** (Continued from July 21, 1994, examiner Hearing.)

**Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool, Blanco-Mesaverde Pool, and Glades-Fruitland Sand Pool gas production within the wellbore of its State Com "S" Well No. 15A, located 790 feet from the North line and 1150 feet from the West line (Unit D) of Section 36, Township 32 North, Range 12 West, which is located approximately 8 miles east by north of La Plata, New Mexico.

**CASE 11033:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Glades-Fruitland Sand Pool gas production within the wellbore of its State Com "AJ" Well No. 34E, located 1185 feet from the South line and 1485 feet from the West line (Unit N) of Section 36, Township 32 North, Range 12 West, which is located approximately 8 miles east by north of La Plata, New Mexico.

**CASE 11034:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "AK" Well No. 35, located 790 feet from the North line and 1700 feet from the East line (Unit B) of Section 36, Township 32 North, Range 12 West, which is located approximately 8 miles east by north of La Plata, New Mexico.

**CASE 11035:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Mesaverde Pool gas production with Otero-Chacra Pool gas production within the wellbore of its Graham "C-WN" Federal Well No. 1A, located 1050 feet from the South line and 1600 feet from the East line (Unit 0) of Section 9, Township 27 North, Range 8 West, which is located approximately 12.5 miles southeast by south of Blanco, New Mexico.

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**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

Dockets Nos. 24-94 and 25-94 are tentatively set for August 18, 1994 and September 1, 1994. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 9253: (Reopened)**

In the matter of Case No. 9253 being reopened pursuant to the provisions of Division Order No. R-8546, which order created the Santo Nino-Bone Spring Pool in Eddy County, New Mexico, and promulgated Temporary Special Rules and Regulations, including a provision for 80-acre spacing and proration units and designated well locations. All operators in said pool may appear and show cause why the Santo Nino-Bone Spring Pool should not be developed on 40-acre spacing units.

**CASE 10976: (Continued from July 7, 1994, Examiner Hearing.)**

**Application of Harvey E. Yates 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 E/2 of Section 32, Township 17 South, Range 31 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard gas 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 1.5 miles southwest of the junction of U.S. Highway 82 and State Road 529.

**CASE 11013: (Continued from July 7, 1994, Examiner Hearing)**

**Application of Baber Well Servicing Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval for its NM "BZ" State NCT-5 Well No. 5 drilled at an unorthodox oil well location 40 feet from the North line and 750 feet from the West line (Unit D) of Section 29, Township 21 South, Range 35 East, as an infill well on an existing 40-acre standard oil proration unit in the North San Simon-Yates Associated Pool, which is currently dedicated to the Pronghorn Management Corporation NM "BZ" State NCT-5 Well No. 1 located at a standard oil well location 660 feet from the North and West lines of said Section 29. Said unit is located approximately 8.5 miles west-southwest of Oil Center, New Mexico. FURTHER, a single operator for the subject 40-acre unit shall be designated by the applicant at the time of the hearing.

**CASE 11046: Application of Primero Operating, Inc. for an unorthodox oil well location, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hi-Way State Well No. 1 which is currently being drilled at an unorthodox oil well location 2417 feet from the South line and 2245 feet from the East line (Unit J) of Section 36, Township 10 South, Range 27 East, to test the Devonian formation. The NW/4 SE/4 of said Section 36 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 11 miles northeast of Bottomless Lake State Park, New Mexico.

**CASE 11003: (Continued from July 21, 1994, Examiner Hearing.)**

**Application of Hal J. Rasmussen Operating, Inc. for a pressure maintenance project, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Farnsworth A Lease in Section 13, Township 26 South, Range 36 East, by the injection of water into the Seven Rivers formation, Scarborough Yates-Seven Rivers Pool, through its Farnsworth A Wells No. 1 and 2 located in Units A and P, respectively, of said Section 13. Said project is located approximately 4 miles south-southwest of Jal, New Mexico.

**CASE 11047: Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its Johnson "POW" Well No. 1 at an unorthodox coal gas well location 240 feet from the South line and 340 feet from the East line (Unit P) of Section 21, Township 27 North, Range 10 West, NMPM, in the Basin-Fruitland Coal Gas Pool. The E/2 of Section 21 is to be simultaneously dedicated to the above-described well and to the existing Johnson Well No. 2 located 1625 feet from the South line and 1090 feet from the East line (Unit I), for the purpose of conducting a reservoir study within the Basin-Fruitland Coal Gas Pool. Said well is located approximately 11 miles southeast of Bloomfield, New Mexico.

**CASE 11038:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Meridian Oil Inc. for downhole commingling, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks exceptions from Division General Rule 303(C) to establish on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde and Gallup gas production in the wellbores of existing or future wells drilled anywhere within Sections 26 through 30, 33, 34 and S/2 of 35 in Township 26 North, Range 6 West, said production being portions of the Basin-Dakota Pool, the Blanco Mesaverde Pool and Undesignated Gallup production. The center of said area is located approximately 4 miles southeast of El Paso Natural Gas Company Largo Station, New Mexico.

**CASE 11039:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Aztec-Pictured Cliffs Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its existing Fifield Well No. 2, located 1650 feet from the South line and 1090 feet from the East line (Unit I) Section 5, Township 29 North, Range 11 West. Said well is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a 305.92-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool comprising Lots 1 and 2, the S/2 NE/4 and SE/4 (E/2 equivalent) of said Section 5. Said well is located approximately 3.5 miles north northwest of Bloomfield, New Mexico.

**CASE 11042:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Meridian Oil Inc. for salt water disposal, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks authority to drill its Jillison Federal SWD Well No. 1 in the SE/4 NW/4 (Unit F) of Section 8, Township 24 North, Range 3 West, for the purpose of disposing produced salt water into the Entrada formation through perforations from approximately 8441 feet to 8683 feet. Said location is approximately 6 miles west-northwest of Lindrieth, New Mexico.

**CASE 11048:** **Application of Bass Enterprises Production Co. for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Section 30, Township 23 South, Range 30 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled and completed at a standard gas 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.0 miles northwest of Poker Lake.

**CASE 10996:** (Continued from July 7, 1994, Examiner Hearing.)

**Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 22, Township 18 South, Range 32 East, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to its existing Querecho Plains Unit Well No. 1 which was drilled at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 22. Also to be considered will be the valuation of the existing wellbore and the cost of recompleting 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 recompleting said well. Said unit is located approximately 8 miles south-southwest from Maljamar, New Mexico.

**CASE 11002:** (Continued from July 7, 1994, Examiner Hearing.)

**Application of West Largo Corporation for compulsory pooling, Sandoval County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Rusty-Chacra Pool underlying the SW/4 of Section 4, Township 21 North, Range 6 West, forming a standard 160-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard gas 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 9 miles south of Counselor, New Mexico.