

Dockets Nos. 36-87 and 37-87 are tentatively set for December 2, and December 16, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 18, 1987

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, Alternate Examiner:

CASE 9179: (Continued from November 4, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Turman & Hayes, Western Surety Company, and all other interested parties to appear and show cause why the following four wells located on the "B" Lee State Lease in Section 7, Township 18 South, Range 35 East, Lea County, should not be plugged and abandoned in accordance with a Division-approved plugging program:

Well No. 1 located 1650 feet from the North line and 2236 feet from the West line (Unit F);

Well No. 3 located 2319 feet from the North line and 918 feet from the West line (Unit E);

Well No. 4 located 2055 feet from the South line and 660 feet from the West line (Unit L); and

Well No. 5 located 994 feet from the South line and 330 feet from the West line (Unit M).

All of these wells are located approximately 2.3 to 3 miles south of Buckeye, New Mexico.

CASE 9247: (Readvertised)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Wind State Unit Area comprising 5,040 acres, more or less, of State and Fee lands in Township 9 South, Range 27 East. Said area is located approximately 7 miles south of the west end of Railroad Mountain.

CASE 9238: (Continued from November 4, 1987, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Sarmal-Queen and the Undesignated Maljamar Grayburg-San Andres Pools in the wellbore of its Hoover "ADR" State Well No. 6 located 330 feet from the South line and 990 feet from the West line (Unit M) of Section 1, Township 17 South, Range 33 East. Said well is located approximately 8 miles south of Maljamar, New Mexico.

CASE 9239: (Continued from November 4, 1987, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Undesignated Sarmal-Queen and Undesignated Maljamar Grayburg-San Andres Pools in the wellbore of its Billy "AFS" State Well No. 2 located 530 feet from the North line and 1750 feet from the West line (Unit C) of Section 12, Township 17 South, Range 33 East. Said well is located approximately 8 miles east of Maljamar, New Mexico.

CASE 8970: (Reopened)

In the matter of Case 8970 being reopened pursuant to the provisions of Division Order No. R-8330, which order established a limiting gas-oil ratio for the Sarmal-Queen Pool in Lea County of 5,000 cubic feet of gas per barrel of oil for a temporary period of one year. Interested parties may appear and show cause why the Sarmal-Queen Pool should not be governed by a limiting gas-oil ratio of 2,000 cubic feet of gas per barrel of oil.

CASE 9254: Application of Pogo Producing Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 990 feet from the East line (Unit H) of Section 13, Township 22 South, Range 32 East, to test the Wolfcamp, Strawn, Atoka, and Morrow formations, the N/2 of said Section 13 to be dedicated to the well. Said well is located approximately 19 miles south-southeast from the junction of U.S. 62/180 and N.M. 176.

- CASE 9255: Application of Randall L. Capps 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 Wolfcamp formation underlying the NW/4 SW/4 (Unit L) of Section 18, Township 12 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to the Gary Bennett Pearl Western Well No. 1-Y located at a standard oil well location 1980 feet from the South line and 610 feet from the West line of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of 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 location is approximately 1.5 miles north of N. M. Milepost 238 on U.S. Highway 380.
- CASE 9256: Application of Petroleum Corporation of New Mexico for non-standard oil proration units and two unorthodox oil well locations, Eddy County, N.M. Applicant, in the above-styled cause, seeks approval for two non-standard oil proration units in Irregular Section 36, Township 26 South, Range 30 East, each to be dedicated to wells to be drilled at unorthodox locations. The first unit comprises 40 acres, being all of Lot 4 (25.14 acres) and the western 3/5 of Lot 3 (14.86 acres) with a well to be located 489 feet from the South line and 1320 feet from the West line of the section. The second unit comprises 34.86 acres, being all of Lot 2 (24.76 acres) and the eastern 2/5 of Lot 3 (10.10 acres) with a well located 484 feet from the South line and 2454 feet from the West line of the section. All measurements and acreages are based on an independent survey taken in August, 1987. This area is on the New Mexico/Texas stateline between N.M. Mile Marker Nos. 45 and 46.
- CASE 9257: Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gallup formation of the Gavilan-Mancos Oil Pool underlying all of Section 14, Township 25 North, Range 2 West, forming a standard 640-acre oil spacing and proration unit for said pool 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 location is approximately 6 miles north of Lindrith, New Mexico.
- CASE 9258: Application of BTA Oil Producers for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 35, Township 22 South, Range 34 East, Undesignated Antelope Ridge-Atoka Gas Pool, the N/2 of said Section 35 to be dedicated to the well. Said well is located approximately 3 miles northwest of the San Simon Sink.
- CASE 9241: (Continued from October 21, 1987, Examiner Hearing)
- Application of Petrus Operating Company, Inc. for pool creation and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Lower Pennsylvanian production comprising the W/2 of Section 14, Township 16 South, Range 30 East. Applicant further seeks approval for an unorthodox well location for its Henshaw Federal Well No. 1 located 330 feet from the South line and 1750 feet from the West line (Unit N) of said Section 14. Said area is located approximately 6 miles North-Northwest of Loco Hills, New Mexico.
- CASE 9259: Application of Amoco Production Company to rescind Rule 7 of Division Order No. R-8188-A, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to rescind Rule 7 of the Special Pool Rules for the Northeast Ojito Gallup-Dakota Oil Pool, as promulgated by Division Order No. R-8188-A, removing the restriction to 40-acre depth bracket allowables on wells located in portions of Sections 35 and 36, Township 26 North, Range 3 West. Said area is located in the Jicarilla Apache Indian Reservation approximately four miles east of the Southern Union Gas Company Ojito Camp.
- CASE 9260: Application of Sohio Petroleum Company (Standard Oil Production Company) for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through five certain wells on its Phillips-Lea Lease underlying a portion of Section 31, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool. Said area is located approximately 6.5 miles northwest of the oil Hobbs Army Air Corps Auxiliary Airfield No. 4.
- CASE 9261: Application of Sohio Petroleum Company (Standard Oil Production Company) for compulsory pooling and non-standard oil proration unit(s), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying either Lot 1 of Section 2, Township 17 South, Range 37 East, to form a non-standard 41.20-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical limits or Lots 1 and 2 of said Section 2 to form a non-standard 82.39-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical limits, both aforementioned units to be dedicated to a single 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 location is approximately 5 miles north of Humble City, New Mexico.