

CASE 9965: Application of Phillips Petroleum Company for a carbon dioxide injection project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a pilot carbon dioxide injection project on portions of its Leamex, Devon State and Philmex Leases underlying the E/2 SE/4 of Section 21, the SW/4 and W/2 SE/4 of Section 22, the NW/4 NE/4 and N/2 NW/4 of Section 27, and the NE/4 NE/4 of Section 28, all in Township 17 South, Range 33 East, by the injection of CO<sub>2</sub> into the Leamex-Paddock Pool through the perforated interval from approximately 6031 feet to 6063 feet in its Leamex Well No. 26 located 660 feet from the South line and 990 feet from the West line (Unit M) of said Section 22. This area is located approximately 6.75 miles east southeast of Maljamar, New Mexico.

CASE 9966: Application of Mitchell Energy Corporation 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 6700 feet, whichever is deeper, underlying the following described acreage in Section 17, Township 18 South, Range 35 East, and in the following described manner: the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Undesignated West Reeves-Queen Gas Pool) and the NE/4 SE/4 to form 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 Undesignated Vacuum Grayburg-San Andres Pool and Undesignated Reeves-Queen Pool). Said units are to be dedicated to a single well to be drilled at a standard located in Unit I of said Section 17. 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 well will be located approximately 4.5 miles south-southeast of Buckeye, New Mexico.

CASE 9918: (Continued from May 16, 1990, Examiner Hearing.)

Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, the S/2 NE/4 and the SE/4 (E/2 equivalent) of Section 2, Township 29 North, Range 9 West, forming a standard 320.60-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 2. 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 unit is located approximately 1.5 miles east of Turley, New Mexico.

~~CASE 9918:~~ (Continued from May 16, 1990, Examiner Hearing.)

Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1, 2, 7, 8, 9, 10, 15 and 16 (E/2 equivalent) of Section 33, Township 30 North, Range 10 West, forming a standard 317.04-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 33. 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 unit is located approximately 4.5 miles east of Blanco, New Mexico.

CASE 9955: (Continued from May 30, 1990, Examiner Hearing.)

Application of Sunco Trucking Water Disposal for a permit to construct and operate a commercial wastewater evaporation pond, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization, pursuant to Division General Rule 711, to construct a synthetically double lined wastewater evaporation pool equipped with proper leak detection for the purpose of commercially disposing of nonhazardous wastewater associated with the completion and production operations of oil and gas wells. Said pond is to be located in the SW/4 NW/4 (Unit E) of Section 2, Township 29 North, Range 12 West, which is approximately 2.75 miles south by each of Flora Vista, New Mexico.

CASE 9967: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order contracting and extending certain existing pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

- (a) CONTRACT the Lybrook-Gallup Oil Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, by the deletion of the following described acreage:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM  
Section 7: N/2 SE/4

- (b) EXTEND the Aztec-Fruitland Sand Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM  
Section 27: W/2  
Section 28: SE/4

- (c) EXTEND the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 10 WEST, NMPM  
Section 6: W/2 NW/4

TOWNSHIP 23 NORTH, RANGE 11 WEST, NMPM  
Section 1: E/2 NE/4

- (d) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:  
TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM  
Section 8: W/2  
Section 17: W/2  
Section 18: E/2
- (e) EXTEND the South Blanco-Pictured Cliffs Pool in Rio Arriba, San Juan and Sandoval Counties, New Mexico, to include therein:  
TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM  
Section 17: SW/4  
Section 18: E/2  
Section 19: NE/4  
Section 20: N/2
- (f) EXTEND the Counselors Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:  
TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM  
Section 16: W/2 and SE/4  
Section 17: NE/4
- (g) EXTEND the Escrito-Gallup Associated Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:  
TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM  
Section 30: W/2 NE/4
- (h) EXTEND the Gavilan Greenhorn-Graneros-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:  
TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM  
Section 15: W/2
- (i) EXTEND the Hogback-Dakota Oil Pool in San Juan County, New Mexico, to include therein:  
TOWNSHIP 29 NORTH, RANGE 16 WEST, NMPM  
Section 7: NE/4 SW/4
- (j) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba, San Juan and Sandoval Counties, New Mexico, to include therein:  
TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM  
Section 32: NW/4 NE/4  
  
TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM  
Section 8: S/2 SE/4  
Section 17: NE/4 NE/4
- (k) EXTEND the West Puerto Chiquito-Mancos Oil Pool in Rio Arriba County, New Mexico, to include therein:  
TOWNSHIP 23 NORTH, RANGE 1 WEST, NMPM  
Section 3: All

Dockets Nos. 15-90 and 16-90 are tentatively set for May 30, 1990 and June 13, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 16, 1990

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:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for June, 1990, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for June, 1990, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9937: Application of Exxon Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Laguna Salado South Unit Agreement for an area comprising 7040 acres, more or less, of State, Federal and Fee lands in all or portions of Sections 10, 15, 16, 21, 22, 23, 26, 27, 28, 33, 34 and 35, Township 23 South, Range 29 East. This area is located approximately 7 miles east of Loving, New Mexico.

CASE 9924: (Continued from May 2, 1990, Examiner Hearing.)

Application of Strata Production Company to amend Division Order No. R-9097, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9097, which authorized a horizontal directional drilling pilot project in the SE/4 of Section 18, Township 26 South, Range 25 East, being a standard 160-acre gas spacing and proration unit in the Bone Spring formation by expanding the prescribed area limiting the horizontal displacement of the proposed wellbore such that any portion thereof can be no closer than 330 feet from the North line, nor closer than 660 feet from the East and West lines, nor closer than 460 feet from the South line of said 160-acre tract. Said location is approximately 2.5 miles east of Mile Post No. 6 on U.S. Highway 62/180.

CASE 9918: (Continued from May 2, 1990, Examiner Hearing.)

Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, the S/2 NE/4 and the SE/4 (E/2 equivalent) of Section 2, Township 29 North, Range 9 West, forming a standard 320.60-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 2. 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 unit is located approximately 1.5 miles east of Turley, New Mexico.

CASE 9919: (Continued from May 2, 1990, Examiner Hearing.)

Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1, 2, 7, 8, 9, 10, 15 and 16 (E/2 equivalent) of Section 33, Township 30 North, Range 10 West, forming a standard 317.04-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 33. 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 unit is located approximately 4.5 miles northwest of Blanco, New Mexico.

CASE 9938: Application of Petroleum Production Management, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NE/4 of Section 14, Township 9 South, Range 34 East, forming a standard 160-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the existing (M&G Oil, Inc.) Mounsey Well No. 1, located at a standard oil well location, 660 feet from the North line and 1980 feet from the East line (Unit B), which is currently temporarily abandoned in said pool. Also to be considered will be the cost of re-entering and/or 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/or recompleting said well. Said unit is located approximately 5.5 miles west-northwest of Crossroads, New Mexico.

CASE 9927: (Continued from May 2, 1990, Examiner Hearing.)

Application of Pacific Enterprises Oil Company (USA) 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 Strawn formation to the base of the Morrow formation underlying the E/2 of Section 32, Township 22 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing (which presently includes but is not necessarily limited to the Undesignated South Carlsbad-Strawn Gas Pool, Undesignated South Carlsbad-Atoka Gas Pool, and South Carlsbad-Morrow Gas Pool). Said unit is to be dedicated to the existing Mary L. Knobel Well No. 1, located at a standard gas well location 1980 feet from the South and East lines (Unit J), which is presently temporarily abandoned in the South Carlsbad-Morrow Gas Pool. Also to be considered will be the cost of re-entering and/or 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/or recompleting said well. Said unit is located approximately 2 miles west of Otis, New Mexico.

CASE 9923: (Continued from May 2, 1990, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L. P. for surface commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 309-A for the surface commingling of North Young-Bone Spring Pool production into a common tank battery from its Sharp Shooter "2" State Well Nos. 1, 2, and 3 located in Units I, H, and J, respectively, of Section 2, Township 18 South, Range 32 East. Said wells are located in an area approximately 5.5 miles south-southeast of Maljamar, New Mexico.

CASE 9939: Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Lots 4 through 7 and the SE/4 (S/2 equivalent) of Irregular Section 12, Township 22 South, Range 25 East, forming a non-standard 332.74-acre gas spacing and proration unit for either the Undesignated Revelation-Morrow Gas Pool or the Undesignated Happy Valley-Morrow Gas 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles west by south of Carlsbad, New Mexico.

CASE 9931: (Continued from May 2, 1990, Examiner Hearing.)

Application of Arco Oil & Gas Company for pressure maintenance expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Empire-Abo Unit Pressure Maintenance Project, authorized by Division Order No. R-4549, as amended, by converting its Empire Abo Unit "J" Well No. 10, located 2310 feet from the North and West lines (Unit F) of Section 3 and Empire Abo Unit "J" Well No. 13, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 2, both in Township 18 South, Range 27 East, Empire-Abo Pool, Empire Abo Unit Area, from producing oil wells to gas injection wells. Both wells are located in an area approximately 4.25 miles south-southeast of Riverside, New Mexico.

CASE 9940: Application of Osborn Heirs Company 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 San Andres formation underlying the NW/4 NE/4 (Unit B) of Section 20, Township 17 South, Range 37 East, forming a standard 40-acre 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 Undesignated Midway-San Andres Pool, said unit 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 unit is located approximately 2.75 miles northwest by west of Humble City, New Mexico.

CASE 9941: Application of Osborn Heirs Company 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 San Andres formation underlying the NE/4 NW/4 (Unit C) of Section 20, Township 17 South, Range 37 East, forming a standard 40-acre 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 Undesignated Midway-San Andres Pool, said unit 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 unit is located approximately 3 miles west-northwest of Humble City, New Mexico.

CASE 9942: Application of Osborn Heirs Company 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 San Andres formation underlying the NW/4 NW/4 (Unit D) of Section 20, Township 17 South, Range 37 East, forming a standard 40-acre 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 Undesignated Midway-San Andres Pool, said unit 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 unit is located approximately 3 miles west-northwest of Humble City, New Mexico.

CASE 9943: Application of Osborn Heirs Company 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 San Andres formation underlying the SE/4 NW/4 (Unit F) of Section 20, Township 17 South, Range 37 East, forming a standard 40-acre 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 Undesignated Midway-San Andres Pool, said unit 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 unit is located approximately 2.75 miles west-northwest of Humble City, New Mexico.

CASE 9931: Application of Arco Oil & Gas Company for pressure maintenance expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Empire-Abo Unit Pressure Maintenance Project, authorized by Division Order No. R-4549, as amended, by converting its Empire Abo Unit "J" Well No. 10, located 2310 feet from the North and West lines (Unit F) of Section 3 and Empire Abo Unit "J" Well No. 13, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 2, both in Township 18 South, Range 27 East, Empire-Abo Pool, Empire Abo Unit Area, from producing oil wells to gas injection wells. Both wells are located in an area approximately 4.25 miles south-southeast of Riverside, New Mexico.

CASE 9932: 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 Strawn formation underlying the SE/4 NW/4 (Unit F) of Section 33, Township 16 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for said formation. 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 unit is located approximately 7 miles northeast by north of Humble City, New Mexico.

CASE 9918: (Continued from April 18, 1990, Examiner Hearing.)

Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, the S/2 NE/4 and the SE/4 (E/2 equivalent) of Section 2, Township 29 North, Range 9 West, forming a standard 320.60-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 2. 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 unit is located approximately 1.5 miles east of Turley, New Mexico.

(Continued from April 18, 1990, Examiner Hearing.)

Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1, 2, 7, 8, 9, 10, 15 and 16 (E/2 equivalent) of Section 33, Township 30 North, Range 10 West, forming a standard 317.04-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 33. 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 unit is located approximately 4.5 miles northwest of Blanco, New Mexico.

CASE 9933: Application of Amerind Oil Company Limited Partnership for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Shipp-Strawn Pool underlying the W/2 SE/4 of Section 5, Township 17 South, Range 37 East, forming a standard 80-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 unit is located approximately 5.5 miles northwest of Humble City, New Mexico.

CASE 9934: Application of Amerind Oil Company Limited Partnership for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Shipp-Strawn Pool underlying the E/2 SW/4 of Section 35, Township 16 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at an unorthodox oil well location 1300 feet from the South line and 1750 feet from the West line (Unit N) of said Section 35. 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 unit is located approximately 5.5 miles north by west of Humble City, New Mexico.

CASE 9907: (Readvertised)

Application of Enron Oil & Gas Company for compulsory pooling and an unorthodox location, 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 Atoka formation underlying the following described acreage in Section 1, Township 24 South, Range 28 East, and in the following described manner: Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) to form a 319.36-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 either the Undesignated South Culebra Bluff-Atoka Gas Pool or Undesignated Malaga-Atoka Gas Pool); Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) to form a 159.52-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within said vertical extent; Lot 3 and the SE/4 NW/4 (E/2 NW/4 equivalent) to form a 79.80-acre oil spacing and proration unit for the Undesignated South Culebra Bluff-Bone Spring Pool which is developed on 80-acre spacing; and Lot 3 (NE/4 NW/4 equivalent) to form a 39.80-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing (which presently includes but is not necessarily limited to either the Undesignated Malaga-Delaware Pool or Undesignated North Malaga-Delaware Pool). Said units are to be dedicated to a single well to be drilled 660 feet from the North line and 1680 feet from the West line (Unit L) of said Section 1, which is a standard location for zones spaced on 160 or 40

CASE 9935: Application of Harvey E. Yates Company for a horizontal directional drilling pilot project and special operating rules therefor, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the S/2 of Section 26, Township 13 South, Range 35 East,, forming a standard 320-acre gas spacing and proration unit in the Northwest Austin-Mississippian Gas Pool. The applicant proposes to utilize its existing Duncan Unit Well No. 3 located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 26 by kicking-off from vertical in a northeasterly direction, build angle to approximately 90 degrees, and drill horizontally in the Northwest Austin-Mississippian Gas Pool for approximately 1000 to 1200 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 the wellbore such that it can be no closer than 1980 feet from the end boundaries nor closer than 660 feet from the side boundaries of said spacing unit. Said project area is located approximately 4 miles west-northwest of McDonald, New Mexico.

CASE 9898: (Continued from April 4, 1990, Examiner Hearing.)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the SE/4 SW/4 and SE/4 of Section 5 and the NE/4 NE/4 and NE/4 NW/4 of Section 8, all in Township 20 South, Range 37 East, forming a non-standard 280-acre gas spacing and proration unit for said pool. The applicant proposes to dedicate all production from the Eumont Gas Pool to the existing Britt-Laughlin Com. Well No. 5 (formerly the Oxy USA, Inc. Laughlin "8" Well No. 5) located 330 feet from the South line and 2310 feet from the East line (Unit 0) of said Section 5 and to the existing Britt-Laughlin Com. Well No. 1 (formerly the Britt "B-8" Well No. 1) located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 8 and to a third well to be drilled at an undetermined location in the SE/4 of said Section 5. Applicant further seeks to be designated operator of the non-standard gas proration unit so created and be entitled to recover out of the production therefrom his costs of drilling, completing and equipping a new infill well, plus a 200% risk factor for drilling, completing and equipping such new infill well, and an equitable and proper percentage of the value of the existing wellbores of applicant's Britt-Laughlin Com. Well Nos. 1 and 5, and all costs of supervision and operation of such non-standard gas proration unit, and that such order also provide for any other relief which may be deemed equitable and proper. The subject area is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9936: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, contracting, and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Acme-San Andres Pool. The discovery well is the Yates Petroleum Corporation Cactus Flower State Unit Well No. 2 in Unit F of Section 19, Township 8 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM  
Section 19: E/2  
Section 30: NW/4

- (b) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production and designated as the Otterback Ranch-Atoka Gas Pool. The discovery well is the Foran Oil Company State ET Well No. 1 located in Unit C of Section 36, Township 15 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM  
Section 36: W/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Pierce Crossing-Bone Spring Pool. The discovery well is the Quinoco Petroleum Inc. Queen Lake 20 Fed. Well No. 1 located in Unit E of Section 20, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM  
Section 20: NW/4

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Russell-Wolfcamp Gas Pool. The discovery well is the Petroleum Corporation of Delaware Superior Fed. Well No. 5 located in Unit K of Section 5, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM  
Section 5: W/2

- (e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Scanlon Draw-Wolfcamp Pool. The discovery well is the Pennzoil Exploration Winchester Fed. Well No. 1 located in Unit H of Section 4, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 4: NE/4

- (f) ABOLISH the Rabbit Flats-PrePermian Gas Pool in Chaves County, New Mexico, consisting of the following described acreage:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM  
Section 36: W/2

CASE 9918: Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, the S/2 NE/4 and the SE/4 (E/2 equivalent) of Section 2, Township 29 North, Range 9 West, forming a standard 320.60-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 2. 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 unit is located approximately 1.5 miles east of Turley, New Mexico.

CASE 9919: Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1, 2, 7, 8, 9, 10, 15 and 16 (E/2 equivalent) of Section 33, Township 30 North, Range 10 West, forming a standard 317.04-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 33. 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 unit is located approximately 4.5 miles northwest of Blanco, New Mexico.

CASE 9920: Application of Sirgo Operating Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its East Pearl Queen Unit Well No. 84 to be drilled 165 feet from the South line and 10 feet from the West line (Unit M) of Section 27, Township 19 South, Range 35 East, Pearl-Queen Pool, said well to be dedicated to an existing 40-acre oil spacing and proration unit comprising the SW/4 SW/4 of said Section 27, which is presently dedicated to the East Pearl Queen Unit Well No. 35 located 990 feet from the South line and 660 feet from the West line of said Section 27. Said unit is located approximately 1/2 mile southeast of the Warren Gas Company Compressor Station.

CASE 9921: Application of Sirgo Operating Inc. for two unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two unorthodox oil well locations for the purpose of completing an efficient injection/production pattern within the West Pearl Queen Unit Waterflood Project: 1) the West Pearl Queen Unit Well No. 180 to be drilled 2630 feet from the South and West lines (Unit K) and 2) the West Pearl-Queen Pool Unit Well No. 192 to be drilled 1330 feet from the South and East lines (Unit J), both in Section 28, Township 19 South, Range 35 East, Pearl Queen Pool. Both wells are located approximately 1/4 mile southwest of the Warren Gas Company Compressor Station.

NOTICE

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***Comments in Case 9018 scheduled to be heard before the Oil Conservation Commission on May 24, 1990, will be accepted by the Commission until the time of the hearing. Testimony and oral or written comments may be presented at the hearing. Said case 9018 concerns the amendment of Rule 11(b) of Order No. R-8170-A relating to overproduction limits.***