

Dockets Nos. 33-87 and 34-87 are tentatively set for November 4 and 18, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 21, 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 October 7, 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 2.5 to 3 miles south of Buckeye, New Mexico.

CASE 9213: (Continued from October 7, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Paramount Petroleum Corporation and all other interested parties to appear and show cause why the Aztec Totah Unit Well No. 7 located on a Federal tract of land 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 20, Township 29 North, Range 13 West, San Juan County (which is approximately 1.2 miles south of the San Juan River Bridge on New Mexico Highway 371), should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 9214: (Continued from October 7, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Paramount Petroleum Corporation, Natural Surety Corporation, and all other interested parties to appear and show cause why the Aztec Totah Unit Well No. 16 located 705 feet from the South line and 2110 feet from the East line (Unit O) of Section 18, Township 29 North, Range 13 West, San Juan County (which is approximately 1 mile west of the San Juan River Bridge on New Mexico Highway 371), should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 9237:

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order abolishing the Amanda (Abo) Gas Pool, contracting the horizontal limits of the Drinkard and Wantz-Abo Pools, extending both the horizontal and vertical limits of the South Brunson-Abo Pool (to be redesignated the South Brunson Drinkard-Abo Pool), and re-establishing the vertical limits of the Drinkard and Wantz-Abo Pools, all in Lea County, New Mexico. Applicant further seeks the promulgation of Special Pool Rules for the (redesignated) South Brunson Drinkard-Abo Pool including a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of liquid hydrocarbons and adoption of a method to determine the allowable for proration units where different operators may separately control the Drinkard and Abo zones. Also to be considered will be the adoption of a procedure whereby Drinkard, Wantz-Abo, and South Brunson Drinkard-Abo wells with short intervals of perforations out of zone could be approved administratively.

CASE 9238:

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 Sanmal-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:

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 Sanmal-Queen and Undesignated Maljamar Grayburg-San Andres Pools in the wellbore of its Billy "AES" 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 9219: (Continued from September 23, 1987, Examiner Hearing)

Application of C&C Stockfarms, Inc. to amend Division Order No. R-8264 (Salt Water Disposal), Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-8264 to include the Pennsylvanian formation with the previously authorized Wolfcamp formation for disposal purposes in its Aztec State Com Well No. 3 located 660 feet from the South and West lines (Unit M) of Section 18, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool. Said well is located approximately 3.5 miles southeast of Lovington, New Mexico.

CASE 9129: (Continued from September 23, 1987, Examiner Hearing)

Application of Virginia P. Uhden, Helen Orbesen, and Carrol O. Holmberg to void and vacate Division Order Nos. R-7588 and R-7588-A, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order vacating Division Order Nos. R-7588 and R-7588-A, which orders promulgated Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Pool, including a provision for 320-acre spacing and designated well locations.

CASE 9224: (Continued from October 7, 1987, Examiner Hearing)

Application of Robert N. Enfield for an unorthodox gas well location, Eddy 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 7, Township 19 South, Range 27 East, Undesignated McMillan-Upper Pennsylvanian Pool (which is approximately 4.5 miles northeast of Lakewood, New Mexico), the N/2 of said Section 7 to be dedicated to the well.

CASE 9240: Application of Jerome P. McHugh for an unorthodox well location and a non-standard proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard oil spacing and proration unit consisting of the E/2 of Section 35, Township 24 North, Range 1 West, West Puerto Chiquito-Mancos Oil Pool, to be dedicated to a well to be drilled at an unorthodox location 890 feet from the North line and 840 feet from the East line (Unit A) of said Section 35. Said location is approximately 7 miles east-southeast of Lindrith, New Mexico.

CASE 9202: (Continued from October 7, 1987, Examiner Hearing)

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 Devonian formation underlying the NE/4 NE/4 (Unit A) of Section 35, Township 18 South, Range 35 East, forming a standard 40-acre oil spacing and proration 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 location is approximately one mile north from the junction of New Mexico Highways Nos. 8 and 529.

CASE 9241: 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 9168: (Continued from October 7, 1987, Examiner Hearing)

Application of J. (James) A. Davidson for a determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, as an interested owner in the Marathon Oil Company Benson Well No. 1 located 330 feet from the South line and 990 feet from the East line (Unit P) of Section 14, Township 16 South, Range 38 East (located approximately 2 1/2 miles south of the old Hobbs Army Air Corps Auxiliary Airfield No. 1 on State Highway No. 132), which was drilled pursuant to the compulsory pooling provisions of Division Order No. R-8282, as amended, seeks an order ascertaining the reasonableness of actual well costs for the subject well.

CASE 9242: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending certain pools in Lea County, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the EK-Atoka Gas Pool. The discovery well is the Sun Exploration and Production Company New Mexico Federal Com Well No. 2 located in Unit H of Section 24, Township 18 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 24: N/2

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the South Rock Lake-Bone Spring Pool. The discovery well is the Yates Petroleum Corporation Sandwell AEQ State Well No. 1 located in Unit J of Section 9, Township 23 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 35 EAST, NMPM
Section 9: SE/4

(c) CONTRACT the Tubb Oil and Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 11: NW/4

(d) EXTEND the North Airstrip-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 15: NE/4 and SW/4

(e) EXTEND the Bell Lake-Cherry Canyon Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 31: N/2 SW/4 and SE/4

(f) EXTEND the East Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 2: N/2

(g) EXTEND the East Hobbs-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM
Section 29: SW/4

(h) EXTEND the Pitchfork Ranch-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 4: NE/4

(i) EXTEND the Quail-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 18: S/2

(j) EXTEND the Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 23: NE/4

(k) EXTEND the Sanmal-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 11: NE/4
Section 12: NW/4

(l) EXTEND the Shipp-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 3: SE/4

(m) EXTEND the North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 17: N/2