

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 1, 1994

8:15 A.M. - 2040 SOUTH PACHECO

SANTA FE, NEW MEXICO

Dockets Nos. 35-94 and 36-95 are tentatively set for December 15, 1994 and January 5, 1995. 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 11144: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, S & I Oil Company, American Employers' Insurance Company, and all other interested parties to appear and show cause why any or all of the following seven wells located in Township 29 North, Range 15 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program:

<u>WELL NAME AND NO.</u>	<u>FOOTAGE LOCATION</u>	<u>SECTION</u>	<u>UNIT</u>
Barbara Well No.	1760' FSL - 810' FEL	12	P
Davis Well No. 1	330' FSL - 870' FWL	2	M
Moore Well No. 1	1980' FNL - 660' FWL	12	E
TRS-EV Well No. 1	2130' FNL - 810' FEL	11	H
Bob Blanche Well No. 1	1830' FSL - 660' FWL	12	L
Dorothy Well No. 1	1840' FSL - 520' FEL	11	I
Neilson Well No. 1	240' FSL - 330' FEL	3	P

CASE 10530: (Reopened - Continued from November 10, 1994, Examiner Hearing.)

In the matter of Case No. 15030 being reopened pursuant to the provisions of Order Nos. R-9722 and R-9722-A, which promulgated special rules and regulations for the West Lovington-Strawn Pool including a provision for 80-acre spacing. Operators in the subject pool should be prepared to appear and show cause why the temporary special rules and regulations for the West Lovington-Strawn Pool should not be rescinded and said pool not be developed on 40-acre spacing units.

CASE 11123: (Continued from November 10, 1994, Examiner Hearing.)

Application of Rand Oil & Gas, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Summers Well No. 1 located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 18, Township 17 South, Range 39 East, and utilize said well to dispose of produced salt water into the South Knowles-Devonian Pool through the open-hole interval from approximately 4950 feet to 8900 feet. Said well is located approximately 3 miles east of Knowles, New Mexico.

CASE 11145: 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 conventional Aztec-Pictured Cliffs Pool gas production (160-acre dedication comprising the SE/4) with gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing McClure Well No. 1 located 990 feet from the South line and 1650 feet from the East line (Unit O) of Section 3, Township 29 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 305.47-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising Lots 1 and 2, the S/2 NE/4, and the SE/4 (E/2 equivalent) of said Section 3. Said well is located approximately 2 miles north of Bloomfield, New Mexico.

CASE 11146: 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 conventional Aztec-Pictured Cliffs Pool gas production (145.33-acre dedication comprising Lots 3 and 4 and the S/2 NW/4, being the NW/4 equivalent) with gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Murphy "A" Com A Well No. 2 located 990 feet from the North line and 1650 feet from the West line (Lot 3/Unit C) of Section 2, Township 29 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 305.33-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of said Section 2. Said well is located approximately 3.5 miles north-northeast of Bloomfield, New Mexico.

CASE 11139: (Readvertised)

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 conventional Aztec-Pictured Cliffs Pool gas production (160-acre, NW/4 dedication) with gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Seymour Com Well No. 1 located 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 36, Township 30 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising the W/2 of said Section 36. Said well is located approximately 6 miles southwest of Aztec, New Mexico.

- CASE 11147:** Application of Southland Royalty Company 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 conventional Fulcher Kutz-Pictured Cliffs Pool gas production (160-acre dedication comprising SE/4) with gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing McGrath Well No. 3 located 1650 feet from the South and East lines (Unit J) of Section 3, Township 29 North, Range 12 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 319 86-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising Lots 1 and 2, the S/2 NE/4, and the SE/4 (E/2 equivalent) of said Section 3. Said well is located approximately 3 miles southwest of Flora Vista, New Mexico.
- CASE 11148:** Application of Meridian Oil Inc. for downhole commingling and a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (134.36-acre dedication comprising Lots 3, 4 and the S/2 SW/4, being SW/4 equivalent) with gas production from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Zachry Well No. 1 located at a standard gas well location for both intervals 990 feet from the South line and 1650 feet from the West line (Unit N) of Irregular Section 12, Township 28 North, Range 10 West. All of said Section 12 is to be dedicated to the Basin-Fruitland Coal (Gas) Pool thereby forming a non-standard 270.11-acre gas spacing and proration unit. Said well is located approximately 8-1/2 miles southeast of Bloomfield, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**
- CASE 11149:** Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (149.72-acre dedication comprising Lots 1, 2, 7, and 8, being the NE/4 equivalent) with gas production from the Basin-Fruitland Coal (Gas) Pool (305.68-acre standard dedication comprising Lots 1, 2, 7, 8, 9, 10, 11 and the SW/4 SE/4, being the E/2 equivalent) within the wellbore of its existing Feuille "A" Well No. 2 located at a standard gas well location for both intervals 1090 feet from the North line and 1650 feet from the East line (Lot 2/Unit B) of Section 17, Township 29 North, Range 10 West. Said well is located approximately 4-1/2 miles northeast of Bloomfield, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**
- CASE 11150:** Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (160-acre standard dedication comprising the NE/4) with gas production from the Basin-Fruitland Coal (Gas) Pool (320-acre standard dedication comprising the E/2) within the wellbore of its existing Schultz Com "D" Well No. 8 located at a standard gas well location for both intervals 990 feet from the North line and 1190 feet from the East line (Unit A) of Section 16, Township 29 North, Range 10 West. Said well is located approximately 3 miles northwest of Blanco, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**
- CASE 11151:** Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (160-acre standard dedication comprising the SW/4) with gas production from the Basin-Fruitland Coal (Gas) Pool (320-acre standard dedication comprising the W/2) within the wellbore of its existing Schultz Com "B" Well No. 6 located at a standard gas well location for both intervals 990 feet from the South and West lines (Unit M) of Section 16, Township 29 North, Range 10 West. Said well is located approximately 3.5 miles west of Blanco, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**
- CASE 11152:** Joint application of Texaco Exploration and Production, Inc. and Marathon Oil Company for a pressure maintenance project, unorthodox injection well locations, and qualification for the recovered oil tax credit pursuant to the New Mexico Oil Recovery Act, Lea County, New Mexico. Applicants, in the above-styled cause, seek authority to institute a cooperative pressure maintenance project in the Vacuum-Drinkard Pool comprising portions of Section 36, Township 17 South, Range 34 East; Section 31, Township 17 South, Range 35 East; Section 1, Township 18 South, Range 34 East; and, Section 6, Township 18 South, Range 35 East, by the injection of water into two existing wells and six wells to be drilled at locations considered to be unorthodox. Applicants further seek to qualify this project for the Recovered Oil Tax Rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 1.5 miles south of Buckeye, New Mexico.