

DOCKET: EXAMINER HEARING - THURSDAY - MAY 16, 1996

8:15 A.M. - 2040 S. Pacheco

Santa Fe, New Mexico

Dockets Nos 15-96 and 16-96 are tentatively set for May 30, 1996 and June 13, 1996. 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 11531: Application of Gillespie-Crow, Inc. for certification of a positive production response, Lea County, New Mexico. Applicant seeks certification, effective January 1, 1996, pursuant to the Rules and Procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, for a positive production response for the project area of the West Lovington Strawn Unit Area, comprising all of Section 33 and the W/2 of Section 34, Township 15 South, Range 35 East; Lots 1 through 8 of Section 1, Township 16 South, Range 35 East; and Lots 3 through 5 of Section 6, Township 16 South, Range 36 East, which qualified for the recovered oil tax rate under New Mexico's "Enhanced Oil Recovery Act: (Laws 1992, Chapter 38, Sections 1 through 5) by Division Order No. R-10448. Said project area is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

CASE 11532: Application of Amoco Production Company for surface commingling, San Juan County, New Mexico. Applicant seeks an exception to Division General Rule 303.A to permit surface commingling of Blanco-Pictured Cliffs Pool gas production from its Sammons Gas Com D Well No. 1 located 130 feet from the South line and 1425 feet from the West line (Unit N) and Basin-Dakota Pool gas production from its Sammons Gas Com C Well No. 1 located 270 feet from the South line and 1450 feet from the West line (Unit N) with Blanco-Mesaverde Pool gas production from its Sammons Gas Com B Well No. 1A located 230 feet from the South line and 790 feet from the West line (Unit M), all in Section 7, Township 29 North, Range 9 West. Said wells are located approximately 1 mile north-northeast of Blanco, New Mexico. IN THE ABSENCE OF OBJECTION THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE 11533: (This Case Will Be Continued to June 13, 1996, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 for all formations developed on 320-acre spacing, the NW/4 for all formations developed on 160-acre spacing, the S/2 NW/4 for all formations developed on 80-acre spacing, and the SW/4 NW/4 for all formations developed on 40-acre spacing, all in Section 4, Township 18 South, Range 28 East. Applicant proposes to dedicate this pooled unit to a well to be drilled at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of said Section 4 to test any and all formations from the surface to the base of the Morrow formation, Illinois Camp-Morrow Gas Pool. 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 area is located approximately 14 miles east-southeast of Artesia, New Mexico.

CASE 11513: (Readvertised)

Application of Manzano Oil Corporation for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 160-acre spacing, underlying the SW/4 in all formations developed on 80-acre spacing underlying the N/2 SW/4, and in all formations developed on 40-acre spacing underlying the NE/4 SW/4 from the surface to the base of the Strawn formation in Section 11, Township 16 South, Range 36 East. Said unit is to be dedicated to applicant's 'SV' Chipshot Well No. 1 to be drilled at an unorthodox location 2164 feet from the South line and 1362 feet from the West line (Unit K) of said Section 11. 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 area is located approximately 1 mile southeast of Lovington, New Mexico.

CASE 11524: (Continued from May 2, 1996, Examiner Hearing.)

Application of ARCO Permian, a unit of Atlantic Richfield, for compulsory pooling and unorthodox well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the W/2 of Section 23, Township 17 South, Range 28 East, for all formations developed on 320-acre spacing. Said unit is to be dedicated to its Dinah 23 Federal Com Well No. 1 to be drilled at an unorthodox location 1077 feet from the South line and 660 feet from the West line of said Section 23, to a depth sufficient to test the Morrow formation, South Empire-Morrow Gas Pool. 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 the risk involved in drilling said well. Said unit is located approximately 13 miles east-southeast of Artesia, New Mexico.

CASE 11527: (Continued from May 2, 1996, Examiner Hearing.)

Application of Texaco Exploration and Production Inc. for an unorthodox oil well location for a lease line production well and simultaneous dedication, Lea County, New Mexico. Applicant seeks approval to drill its proposed Vacuum-Grayburg San Andres Well No. 159 as a lease line production well at an unorthodox location 572 feet from the North line and 78 feet from the East line (Unit A) of Section 1, Township 18 South, Range 34 East, to be dedicated to a standard 40-acre spacing unit consisting of the NE/4 NE/4 of said Section 1 in the Vacuum-Grayburg San Andres Pool. Said well is to be simultaneously dedicated with the existing Vacuum Grayburg San Andres Unit Wells 50, 58, 122, and 158. Said unit is located approximately 2 miles south of Buckeye, New Mexico.

CASE 11534: **Application of Enron Oil & Gas Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks authorization to drill its Greenback State Well No. 2 at an unorthodox oil well location 1980 feet from the North line and 1330 feet from the West line (Unit F) of Section 17, Township 24 South, Range 38 East, to be dedicated to a standard 40-acre oil spacing and proration unit consisting of the SE/4 NW/4 of said Section 17 in the East Fowler-Ellenburger Pool. Said unit is located approximately 6 miles northeast of Jal, New Mexico.

CASE 11016: (Reopened - Continued from April 18, 1996, Examiner Hearing.)

In the matter of Case No. 11016 being reopened pursuant to the provisions of Division Order No. R-5353-P, which order created the North Teague-Tubb Associated Pool, Lea County, New Mexico, and promulgated temporary special pool rules. Operators in the subject pool may appear and show cause why the North Teague-Tubb Associated Pool should not be reclassified as an oil pool and why a gas-oil ratio limitation of 6,000:1 is appropriate for this pool.

CASE 11017: (Reopened - Continued from April 18, 1996, Examiner Hearing.)

In the matter of Case No. 11017 being reopened pursuant to the provisions of Division Order No. R-5353-Q, which order reclassified the North Teague Lower Paddock-Blinebry Gas Pool, Lea County, New Mexico, and promulgated temporary special pool rules. Operators in the subject pool may appear and show cause why said North Teague Lower Paddock-Blinebry Associated Pool should not be reclassified as an oil pool why a gas-oil ratio limitation of 6,000:1 is appropriate for this pool.

CASE 11018: (Reopened - Continued from April 18, 1996, Examiner Hearing.)

In the matter of Case No. 11018 being reopened pursuant to the provisions of Division Order No. R-10199, which order created the North Teague Drinkard-Abo Pool, Lea County, New Mexico, promulgated temporary special pool rules. Operators in the subject pool may appear and show cause why a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil is appropriate on a permanent basis for said pool.

CASE 11535: **Application of Nearburg Exploration Company for an unorthodox gas well location and non-standard gas proration unit, Lea County, New Mexico.** Applicant seeks approval to drill its Minis "1" Federal Com Well No. 3 at an unorthodox gas well location 3300 feet from the South line and 1310 feet from the West line of Irregular Section 1, Township 21 South, Range 32 East, to test the Undesignated Hat Mesa-Morrow Gas Pool, Lots 3, 4, 5, 6, 11, 12, 13, and 14, of said Irregular Section 1 to be dedicated to said well to form a non-standard 317.66-acre gas spacing and proration unit for said pool. Said unit is located approximately 6 miles east-southeast of the junction of New Mexico State Highway 176 No. and US Highway 62/180, New Mexico.

CASE 11536: **Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant seeks approval to drill its proposed Allison Unit Com Well No. 146 at an unorthodox coal gas well location 1000 feet from the North line and 1265 feet from the West line (Unit D) of Section 23, Township 32 North, Range 7 West, Basin Fruitland Coal (Gas) Pool, said well to be dedicated to the W/2 of said Section 23 to form a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 4 miles southeast of the intersection of State Highway 511 with border between the State of Colorado and the State of New Mexico.

CASE 11499: (Continued from April 18, 1996, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Deanie Lou, American Manufacturer's Mutual Insurance Company, Surety, and all other interested parties to appear and show cause why the Ring Well No. 1 located in Unit C of Section 32, Township 6 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond.