

DOCKET: COMMISSION HEARING - THURSDAY - FEBRUARY 13, 1997

9:00 A.M. - 2040 SOUTH PACHECO - SANTA FE, NEW MEXICO
The Land Commissioner's designee for this hearing will be Jami Bailey

The Oil Conservation Commission will adopt its annual resolution setting forth reasonable notice standards for Commission public meetings, pursuant to the New Mexico Open Meetings Act, 10-15-1.D. NMSA 1978.

The Annual "Industry Speaks - Commission Listens" Meeting will begin at 9:30 A.M. The cases listed below will be heard at the conclusion of this meeting.

CASE 11720: Application of the Oil Conservation Division to amend Rule 103 of its Rules to change, add or delete certain information on well signs. The Division has determined that Rule 103 needs amending in order to: (i) change, add or delete the information required to be posted on well signs; (ii) change the sign location requirement from 20 feet to 50 feet from the well; and (iii) require that the well API number be included on the sign.

CASE 11721: The Oil Conservation Division is calling a hearing on its own motion to consider proposed April, 1997 – September, 1997 gas allowables for the prorated gas pools in New Mexico. Allowable assignment factors are being distributed with an OCD Memorandum dated January 24, 1997. If requests for changes are not received at the February 13, 1997 hearing, these factors will be used to assign allowables for the April - September period.

CASE 10994: (Reopened - Continued from January 16, 1997, Commission Hearing.)

Application of Phillips Petroleum Company to Reopen De Novo Case No. 10994, Roosevelt County, New Mexico. Case 10994 will be reopened for consideration of oil allowables for future production from the South Peterson-Fusselman Pool, Roosevelt County, New Mexico.

CASE 11515: (De Novo - Continued from December 12, 1996, Commission Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Woolsley Oil Co., American Employers' Insurance Company, and all other interested parties to appear and show cause why the Santa Fe Energy Well No. 1 located in Unit P of Section 8, Township 19 North, Range 6 West; Santa Fe Energy Well No. 2 located in Unit A of Section 17, Township 19 North, Range 6 West; State Well No. 1 located in Unit D of Section 16, Township 19 North, Range 6 West; State Well No. 2 located in Unit C of Section 16, Township 19 North, Range 6 West; State Well No. 3 located in Unit A of Section 16, Township 19 North, Range 6 West; Ptasynski A Well No. 1 located in Unit I of Section 11, Township 19 North, Range 5 West; and Ptasynski A Well No. 2 located in Unit J of Section 11, Township 19 North, Range 5 West; all located in McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said wells, and ordering a forfeiture of the plugging bond. The center of the area encompassing said wells is located approximately 10 miles southeast of Chaco Canyon National Monument, New Mexico. Upon application of Commercial Union Insurance Companies and American Employers' Insurance Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11666: (De Novo)

Application of InterCoast Oil and Gas Company for compulsory pooling and 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 E/2 of Section 20, Township 20 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, including but not limited to the Burton Flat-Morrow Gas Pool and the Undesignated West Burton Flat-Atoka Gas Pool. Said unit will be dedicated to its InterCoast State 20 Well No. 1 to be drilled at an unorthodox location 990 feet from the North line and 990 feet from the East line (Unit A) of said Section 20. 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 the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 10 miles east-southeast of Lakewood, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11677: (De Novo)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox 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 E/2 of Section 20, Township 20 South, Range 28 East, Eddy County, forming a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, which presently may include but is not necessarily limited to the Burton Flat-Morrow Gas Pool and the Undesignated West Burton Flat-Atoka Gas Pool. Said unit is to be dedicated to its Stonewall AQK State Com Well No. 1 to be drilled and completed at an unorthodox well location 990 feet from the north and east lines (Unit A) of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Yates Petroleum Corporation as the operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 11 miles east-southeast of Lakewood, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

AWAITING FINAL COMMISSION ACTION

CASE 11352: In the matter of the hearing called by the Oil Conservation Division to amend Rule 116 of its General Rules and Regulations pertaining to the notification of fires, breaks, leaks, spills and blowouts. The proposed amendments to Rule 116 would include and/or exclude certain situations from its coverage.

CASE 11635: In the matter of the hearing called by the Oil Conservation Division to enact a new rule establishing methods and standards for the prevention and abatement of water pollution associated with operations in the oil and gas industry.