

**Examiner Hearing – July 22, 1999**

**Docket No. 23-99**

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- CASE 12217:** Application of Merrion Oil & Gas Corporation for Compulsory Pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of Section 2, Township 31 North, Range 8 West, in order to form a standard 320-acre gas spacing and proration unit. This unit is to be dedicated to applicant's proposed U-Da-Well Com. Well No. 1 to be drilled at a previously approved unorthodox coal gas well location in the SE/4 NW/4 (Unit F) of Section 2 (see Division Administrative Order NSL-4281 dated May 13, 1999). Also to be considered will be the cost of drilling and completing the 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 and completing the well. The unit is located approximately nine miles north-northwest of the Navajo Lake Dam.
- CASE 12218:** Application of Robert L. Bayless, Producer L.L.C. for an Unorthodox Coal Gas Well Location, San Juan County, New Mexico. Applicant seeks approval to drill its proposed Oxnard "WN" Federal Well No. 13 (API No. 30-045-29914) at an off-pattern non-standard coal gas well location 1640 feet from the North line and 1160 feet from the West line (Unit E) of Section 14, Township 27 North, Range 8 West, which is located approximately 14 miles southeast of Blanco, New Mexico. The W/2 of Section 14 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.
- CASE 12219:** Application of Yates Petroleum Corporation for Compulsory Pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 160-acre spacing underlying the SE/4, in all formations developed on 80-acre spacing underlying the N/2 SE/4, and in all formations developed on 40-acre spacing underlying the NE/4 SE/4, from the surface to the base of the Abo formation, Pecos slope-Abo Gas Pool, of Section 20, Township 7 South, Range 25 East. The units are proposed to be dedicated to the proposed Reinauer "RC" Federal Com Well No. 3 which will be drilled at a standard location 1980 feet from the South line and 1000 feet from the East line of (Unit I) of Section 20. Also to be considered will be the cost of drilling and completing the 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 and completing the well. The unit is located approximately 30 miles northeast of Roswell, New Mexico.
- CASE 12220:** Application of Cross Timbers Operating Company for an Unorthodox Coal Gas Well Location, San Juan County, New Mexico. Applicant seeks approval to drill its proposed Brown Well No. 3 (API No. 30-045-29900) at an off-pattern non-standard coal gas well location 1775 feet from the South line and 1090 feet from the East line (Unit I) of Section 29, Township 30 North, Range 12 West, which is located approximately 6 miles northeast of Farmington, New Mexico. The S/2 of Section 29 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool.
- CASE 12194:** Continued from July 8, 1999, Examiner Hearing.
- Application of Shackelford Oil Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NW/4 SE/4 (Unit J) of Section 3, Township 20 South, Range 33 East, thereby forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, which presently includes the Undesignated Teas-Yates-Seven Rivers Pool and the Undesignated West Teas-Yates-Seven Rivers Pool. The 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 the 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 the well. The proposed 40-acre unit is located approximately 1.25 miles north of U. S. Highway 62-180 at mile marker No. 77.
- CASE 12196:** Continued from July 8, 1999, Examiner Hearing.
- Application of Shackelford Oil Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the SW/4 SE/4 (Unit O) of Section 3, Township 20 South, Range 33 East, thereby forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, which presently includes the Undesignated Teas-Yates-Seven Rivers Pool and the Undesignated West Teas-Yates-Seven Rivers Pool. This 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 the 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 the well. The proposed 40-acre unit is located approximately 1 mile north of U. S. Highway 62-180 at mile marker No. 77.

**STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:**

**CASE NO. 12218  
ORDER NO. R-11226**

**APPLICATION OF ROBERT L. BAYLESS, PRODUCER L.L.C. FOR AN UNORTHODOX  
COAL GAS WELL LOCATION, SAN JUAN COUNTY, NEW MEXICO.**

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This case came on for hearing at 8:15 a.m. on July 22, 1999, at Santa Fe, New Mexico, before Examiner Mark W. Ashley.

NOW, on this 28th day of July, 1999, the Division Director, having considered the record and the recommendations of the Examiner,

**FINDS THAT:**

- (1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.
- (2) By Administrative Order NSL-4334, dated July 21, 1999, the Division approved the subject application, thereby making this case unnecessary.
- (3) Dismissal of this case should therefore be granted.

**IT IS THEREFORE ORDERED THAT:**

Case No. 12218 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

*Lori Wrotenbery*  
LORI WROTENBERY  
Director