



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

May 2, 1994

CAMBELL, CARR, BERGE
& SHERIDAN
Attorneys at Law
P. O. Box 2208
Santa Fe, New Mexico 87504

RE: CASE NO. 10967
ORDER NO. R-10110

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Sally E. Martinez
Sally E. Martinez
Administrative Secretary

cc: BLM - Carlsbad
Mark Haralson

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. 10967
ORDER NO. R-10110

APPLICATION OF CHEVRON USA, INC. FOR AN UNORTHODOX GAS WELL LOCATION AND
SIMULTANEOUS DEDICATION, LEA COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on April 28, 1994, at Santa Fe, New Mexico, before Examiner Jim Morrow.

NOW, on this 2nd day of May, 1994, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

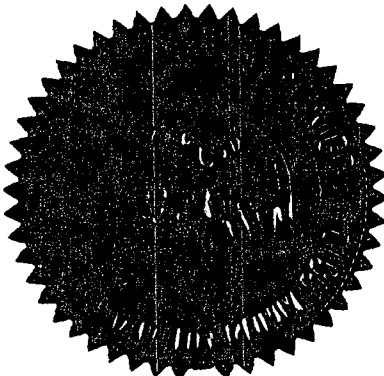
FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Chevron USA, Inc., seeks approval of an unorthodox gas well location in the Blinebry Oil and Gas Pool for its existing Rollon Brunson Well No. 6 located 536 feet from the North line and 2104 feet from the East line (Unit B) of Section 10, Township 22 South, Range 37 East, and to simultaneously dedicate said well with the Rollon Brunson Well No. 4 located 2086 feet from the North line and 1874 feet from the East line (Unit G) of said Section 10. Said wells are to be dedicated to a non-standard 80-acre gas spacing and proration unit comprising the W/2 NE/4 of said Section 10.
- (3) Prior to the date of the hearing, the applicant requested this case be dismissed.
- (4) The applicant's request for dismissal should be granted.

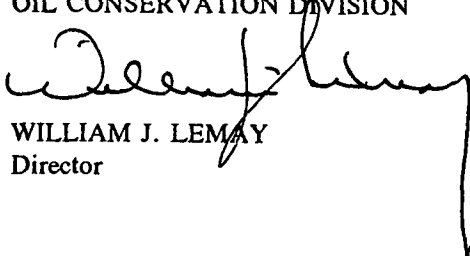
IT IS THEREFORE ORDERED THAT:

Case No. 10967 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ
TANYA M. TRUJILLO

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

April 27, 1994

HAND-DELIVERED

Michael E. Stogner
Hearing Examiner
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

APR 27 1994

Re: Oil Conservation Division Case No. 10967:
Application of Chevron U.S.A. Inc., for an Unorthodox Gas Well Location
and Simultaneous Dedication, Lea County, New Mexico

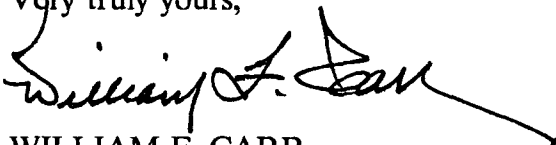
Dear Mr. Stogner:

Enclosed is a copy of a letter which I received on this date from Jeff R. Hanrahan, attorney for Mobil Exploration and Producing U.S. Inc. As you will note, Mobil has withdrawn its objection to Chevron's application in the above-referenced case. Accordingly, Chevron requests that the hearing on this application scheduled for April 28, 1994 be dismissed and that its application be approved administratively.

As you are aware, Chevron's application was originally filed on March 14, 1994. We are ready to proceed with the well as soon as approval is obtained from the Division and would appreciate your expediting this administrative application to the extent possible.

Your attention to this request is appreciated.

Very truly yours,



WILLIAM F. CARR
ATTORNEY FOR CHEVRON U.S.A. INC.
WFC:mlh
Enc.

Mobil Exploration & Producing U.S. Inc.

April 27, 1994

BY FAX (505) 827-5741

Mr. Michael E. Stogner
Chief Hearing Officer/Engineer
State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
P.O. Box 2088
State Land Office Building
Santa Fe, NM 87504

12480 GREENSPRING DRIVE
HOUSTON, TEXAS 77060-1001
(713) 775-2464
(713) 775-4093-Telecopier

OFFICE OF GENERAL COUNSEL

JEFF R. HANRAHAN
COUNSEL

Re: New Mexico Oil Conservation
Division
Case No. 10967

Application of Chevron U.S.A.
for an Unorthodox Gas Well
Location and Simultaneous
Dedication, Lea County, New
Mexico

Rollon Brunson Well Nos. 4 and
6
W/2 NE/4 of Section 10,
Township 22 South, Range 37
East, NMPM, Blinbry Oil & Gas
Pool, Lea County, New Mexico

Dear Mr. Stogner:

This letter is to advise you that Mobil Producing Texas & New Mexico Inc. hereby withdraws its objection to the application of Chevron U.S.A. Inc. for an unorthodox gas well location and simultaneous dedication for the Rollon Brunson Well Nos. 4 and 6 in Lea County, New Mexico.

I have discussed this matter with William F. Carr, the attorney for Chevron U.S.A. and he is aware is Mobil is withdrawing its objection. As we discussed, the hearing will be cancelled and it will not be necessary for representatives for Mobil to attend.

If you have any questions, please give me a call at 713-775-2464.

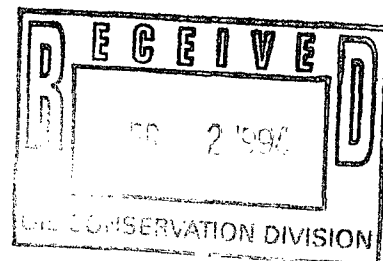
Very truly yours,



Jeff R. Hanrahan

BEFORE THE
NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF CHEVRON U.S.A. INC., FOR AN
UNORTHODOX GAS WELL LOCATION AND
SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.



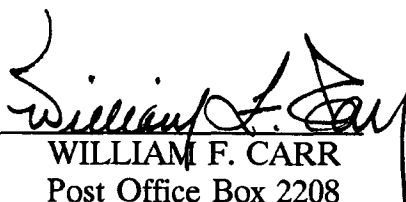
CASE NO. 10967

ENTRY OF APPEARANCE

COMES NOW CAMPBELL, CARR, BERGE & SHERIDAN, P.A., and hereby
enters its appearance in the above referenced case on behalf of Chevron U.S.A. Inc.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

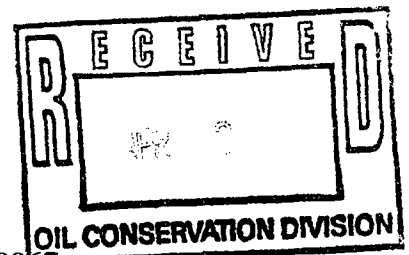
By: 
WILLIAM F. CARR
Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR CHEVRON U.S.A. INC.

**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. 10967



IN THE MATTER OF THE APPLICATION
OF CHEVRON U.S.A. INC., FOR AN
UNORTHODOX GAS WELL LOCATION AND
SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

PRE-HEARING STATEMENT

This Prehearing Statement is submitted by Campbell, Carr, Berge & Sheridan, P.A.,
as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

Chevron U.S.A. Inc. _____
c/o Lloyd Trautman _____
Post Office Box 1150 _____
Midland, Texas 79702 _____
(915) 687-7246 _____

ATTORNEY

William F. Carr, Esq. _____
Campbell, Carr, Berge & Sheridan, P.A. _____
Post Office Box 2208 _____
Santa Fe, New Mexico 87504 _____
(505) 988-4421 _____

name, address, phone and
contact person

OTHER PARTY

ATTORNEY

name, address, phone and
contact person

STATEMENT OF CASE

APPLICANT

(Please make a concise statement of what is being sought with this application and the reasons therefore.)

Chevron, U.S.A. Inc., applicant, in the above styled cause, seeks approval of an unorthodox gas well location in the Blinbry Oil and Gas Pool for its existing Rollon Brunson Well No. 6 located 536 feet from the North line and 2104 feet from the East line (Unit B) of Section 10, Township 22 South, Range 37 East. Said well is to be simultaneously dedicated with the Rollon Brunson Well No. 4 located 2086 feet from the North line and 1874 feet from the East line (Unit G) of said Section 10, to the existing 80-acre non-standard gas spacing and proration unit comprising the W/2 NE/4 of said Section 10 (established by Division Administrative Order NSP-995.

OTHER PARTY

(Please make a concise statement of the basis for opposing this application or otherwise state the position of the party filing this statement.)

PROPOSED EVIDENCE

APPLICANT

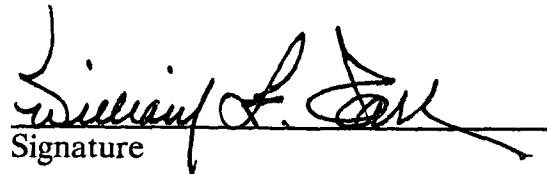
WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
Lloyd Trautman, Petroleum Engineer	20 Min.	Approximately 5

OTHER PARTY

WITNESSES (Name and expertise)	EST. TIME	EXHIBITS
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PROCEDURAL MATTERS

(Please identify any procedural matters which need to be resolved prior to hearing)


Signature

CASE 10962: Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NE/4 SE/4 of Section 30, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled and completed at a standard oil well location in the NE/4 SE/4 of said Section 30. 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 and completing said well. Said unit is located approximately 10 miles east of Loving, New Mexico.

CASE 10963: Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to be base of the Morrow formation underlying the N/2 of Section 30, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Nash Draw-Morrow Gas Pool, Undesignated Nash Draw-Atoka Gas Pool and Undesignated Nash Draw-Strawn Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well location in the SW/4 NE/4 of said Section 30. 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 and completing said well. Said unit is located approximately 10 miles east of Loving, New Mexico.

CASE 10964: Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, Rio Arriba, County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Undesignated Tapacito-Pictured Cliffs Pool and Basin-Fruitland Coal (Gas) Pool production within the wellbore of its proposed San Juan 28-5 Unit Well No. 106 to be drilled at an unorthodox "off pattern" coal gas well location 1020 feet from the South line and 1850 feet from the East line (Unit O) of Section 28, Township 28 North, Range 5 West. Said well is to be dedicated to a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool being the S/2 of said Section 28 and to a standard 160-acre gas spacing and proration unit for the Tapacito-Pictured Cliffs Pool being the SE/4 of said Section 28. Said unit is located approximately 5.5 miles south-southeast of Gobernador Camp, New Mexico.

CASE 10965: Application of Southland Royalty Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a high angle/horizontal directional drilling pilot project in the Basin Dakota Pool with special operating rules, including the designation of a prescribed area limiting the horizontal displacement of the producing portion of the wellbore within the allowed 790 foot setback requirements from the outer boundary of its spacing and proration unit being a standard 320-acre unit comprising the S/2 of Section 24, Township 27 North, Range 9 West. The applicant proposes to utilize its existing Jernigan Well No. 3 located in Unit "H" of said Section 24 to drill the proposed horizontal lateral in the Basin-Dakota Pool. Said project is located approximately 13 miles north-northeast of Huerfano Trading Post, New Mexico.

CASE 10966: (This Case Will Be Dismissed.)

Application of Conoco, Inc. for an unorthodox gas well location, non-standard gas proration unit, simultaneous dedication, and to further amend Division Order No. R-6141, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 480-acre non-standard Eumont Gas spacing and proration unit (GPU) comprising the S/2 NW/4 and SW/4 of Section 17 and the NE/4 and N/2 SE/4 of Section 18, both in Township 21 South, Range 36 East, with said Eumont Gas Pool production to be simultaneously dedicated to said unit from: a) the existing Meyer "A-1" Well No. 11, located at a previously approved unorthodox gas well location in Unit K of said Section 17; b) the existing Meyer "A-1" Well No. 19, located at a previously approved unorthodox gas well location in Unit H of said Section 18; c) the existing Meyer "A-1" Well No. 20, located at a standard gas well location in Unit E of said Section 17; and d) the proposed Meyer "A-1" Well No. 21 to be drilled at an unorthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of said Section 17. The proposed non-standard gas proration unit is to be a rededication of acreage to an existing non-standard gas proration unit previously approved by Division Order No. R-6141, as amended. Said area is located approximately 2.5 miles west-southwest of Oil Center, New Mexico.

CASE 10967: Application of Chevron U.S.A. Inc. for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Blinbry Oil and Gas Pool for its existing Rollon Brunson Well No. 6 located 536 feet from the North line and 2104 feet from the East line (Unit B) of Section 10, Township 22 South, Range 37 East. Said well is to be simultaneously dedicated with the Rollon Brunson Well No. 4 located 2086 feet from the North line and 1874 feet from the East line (Unit G) of said Section 10, to the existing 80-acre non-standard gas spacing and proration unit comprising the W/2 NE/4 of said Section 10 (established by Division Administrative Order NSP-995) which is located approximately 2 miles south-southeast of Eunice, New Mexico.