

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:

WELL NAME AND NO.	FOOTAGE LOCATION	SECTION	UNIT
Barbara Well No.	1760' FSL - 810' FFL	12	P
Davis Well No. 1	330' FSL - 870' FFL	2	M
Moore Well No. 1	1980' FNL - 660' FFL	12	E
TRS-EV Well No. 1	2130' FNL - 810' FFL	11	H
Bob Blanche Well No. 1	1830' FSL - 660' FFL	12	L
Dorothy Well No. 1	1840' FSL - 520' FFL	11	I
Neilson Well No. 1	240' FSL - 330' FFL	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appear and show cause why the temporary special rules and regulations for the West Lovington-Strawn Pool should not be rescinded and said pool not be developed on 40-acre spacing units.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.

**CASE 10991:** (Continued from November 10, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Pecos Slope Abo Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. 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 15 miles west-northwest of Elkins, New Mexico.

**CASE 11111:** (Continued from November 10, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation 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 Canyon formation, underlying the SE/4 of Section 21, Township 19 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes only the Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard location in the SW/4 SE/4 (Unit O) of said Section 21. 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 6.25 miles west by north of Lakewood, New Mexico.

**CASE 11153:** Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Mesaverde Pool gas production with Basin-Dakota Pool gas production within the wellbore of its Martinez Gas Com Well No. 1G located 1198 feet from the North line and 790 feet from the East line (Unit A) of Section 24, Township 29 North, Range 10 West. Said well is located inside the town in Blanco, New Mexico.

**CASE 11154:** Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional West Kutz-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 N/2) within the wellbore of its existing McGrady Gas Com "C" Well No. 1-E located at a standard gas well location for both intervals 1000 feet from the North line and 1740 feet from the East line (Unit B) of Section 14, Township 27 North, Range 12 West. Said well is located approximately 12 miles southeast by south of Farmington, New Mexico.

**CASE 11155:** Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Blanco-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 N/2) within the wellbore of its proposed Ruth Well No. 1 located at a standard gas well location for both intervals 940 feet from the North line and 790 feet from the East line (Unit A) of Section 8, Township 31 North, Range 10 West. Said well is located approximately 1.5 miles south southwest of Blanco, New Mexico.

**CASE 11156:** 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 Bone Spring formation, underlying the NE/4 NW/4 (Unit C) of Section 30, Township 23 South, Range 30 East, forming a standard 40-acre oil spacing and proration unit. Said 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 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 by south of Loving, New Mexico.

**CASE 11157:** Application of OXY USA, 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 Eumont Gas Pool to be drilled 2145 feet from the South line and 495 feet from the West line (Lot 3/Unit L) of Section 30, Township 19 South, Range 37 East. Said well is to be simultaneously dedicated with the State "E" Well No. 5 located in Unit "N" of said Section 30, to the existing 157-acre, more or less, non-standard gas spacing and proration unit comprising Lots 3 and 4 and the E/2 SW/4 (SW/4 equivalent) of said Section 30 (established by Division Administrative Order NSP-224), which is located approximately 2 miles west by north of Monument, New Mexico.

**CASE 11158:** Application of Conoco, Inc. for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its proposed State "A-19" Well No. 2 at an unorthodox gas well location for the Eumont Gas Pool 1760 feet from the South line and 624 feet from the West line (Lot 3/Unit L) of Section 19, Township 19 South, Range 37 East. Further, the applicant seeks to dedicate said well to a non-standard 38.68-acre gas spacing and proration unit comprising Lot 3 (the NW/4 SW/4 equivalent) of said Section 19, which is located approximately 2 miles northwest by west of Monument, New Mexico.

**CASE 11159:** Application of Conoco, 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 Eumont Gas Pool for its existing Lockhart "B-28" Well No. 1 located 660 feet from the North and West lines (Unit D) of Section 28, Township 21 South, Range 36 East. Said well is to be simultaneously dedicated with the Lockhart "B-28" Well Nos. 2 and 3 located in Units "E" and "L", respectively, of said Section 28, to the existing 240-acre non-standard gas spacing and proration unit comprising the W/2 NW/4 and the SW/4 of said Section 28 (established by Division Administrative Order NSP-127), which is located approximately 2.5 miles south southwest of Oil Center, New Mexico.

**CASE 11129:** (Continued from November 10, 1994, Examiner Hearing.)

Application of AnSon Gas Corporation for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the N/2 SE/4 of Section 15, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for the Undesignated Humble City-Strawn Pool. Said unit is to be dedicated to the Shipp "15" Well No. 1 to be drilled at an unorthodox oil well location 2130 feet from the South line and 510 feet from the East line (Unit I) of Section 15 to test the Strawn formation. 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 the risk involved in drilling and completing said well. Said area is located approximately 3 miles northwest of Humble City, New Mexico.

**CASE 11099:** (Continued from November 10, 1994, Examiner Hearing.)

Application of TARA-JON Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Drinkard formation underlying the NE/4 NW/4 (Unit C) of Section 27, Township 16 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Garrett-San Andres Pool, Undesignated Garrett-Drinkard Pool, and Undesignated East Garrett-Drinkard Pool. Said pooled unit is to be dedicated to either the plugged and abandoned The Texas Company Gotlieb Ertal Well No. 1 (T.D. - 13,310 feet), located at a standard oil well location 560 feet from the North line and 1982 feet from the West line, more or less, of said Section 27 or, if said Gotlieb Ertal Well No. 1 is found not to be mechanically sound, to a new well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of re-entering and recompleting the old plugged and abandoned well and/or the costs of drilling and completing a new 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 unit and a charge for risk involved in re-entering the old plugged and abandoned well and/or the drilling of a new well. Said unit is located approximately 12 miles north of Hobbs, New Mexico.

NEW MEXICO OIL CONSERVATION DIVISION

2040 South Pacheco  
P. O. Box 6429  
Santa Fe, New Mexico 87505

(505) 827-7131 - Main Phone Number

(505) 827-8177 - Fax Number

NEW TELEPHONE LISTING  
OIL CONSERVATION DIVISION

FAX NUMBER

827-8177

MAIN LINE

827-7131

DIRECTOR'S OFFICE

LeMay, William 827-7132  
Davidson, Florene 827-7132  
Martinez, Sally 827-7133

ADMINISTRATIVE BUREAU

Martin, Edwin 827-7151  
Anaya, Mary 827-7150  
Valdes, Kathy 827-7131

RECORDS CENTER

Roybal, Elizabeth 827-8164  
Romero, Lawrence 827-8166

ENGINEERING BUREAU

Morrow, Jim 827-8183  
Catanach, David 827-8184  
Vacant 827-8182  
Johnson, Roy 827-8198  
Stogner, Michael 827-8185  
Stone, Ben 827-8186

ENVIRONMENTAL BUREAU

Anderson, Roger 827-7152  
Ashley, Mark 827-7155  
Davis, David 827-7156  
Eustice, Chris 827-7153  
Olson, William 827-7154

LEGAL BUREAU

Carroll, Rand 827-8156  
Richardson, Diane 827-8153

GAS MARKETING BUREAU

Merrett, Ron 827-7146  
Hebert, Lyn 827-7147  
Phillips, Dorothy 827-7137  
Romero, Angela 827-7148  
Williams, Chris 827-7149

DATA PROCESSING BUREAU

Nelson, Dave 827-5925  
Lubet, Lloyd 827-5925

Key Entry Section

Macpherson, Kirk 827-5925  
McDonald, Donna 827-5925  
Brown, Rick 827-8197  
Chavez, Fran 827-7158  
Chavez, Robert 827-8196  
Huffman, Dolly 827-8196  
Montoya, Isabel 827-8195  
Rivera, Lynn 827-8195  
Vacant 827-8194

ONGARD IMPLEMENTATION

Martin, Edwin 827-7151

DISTRICTS

Aztec 334-6178 334-6170  
Artesia 748-1283 748-9720  
Hobbs 393-6161 393-0720

FAX