

**CASE 11195:** Application of Charles B. Gillespie, Jr. for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a pressure maintenance project, all mineral interests in the designated and Undesignated West Lovington-Strawn Pool underlying its proposed West Lovington Strawn Unit Area encompassing some 1457.05-acres, more or less, of Federal, State, and Fee lands comprising all of Section 33 and the W/2 of Section 34 of Township 15 South, Range 35 East, a portion of Section 1, Township 16 South, Range 35 East, and a portion of Section 6, Township 16 South, Range 36 East. Among the matters to be considered at the hearing, pursuant to the "New Mexico Statutory Unitization Act", Sections 70-7-1 et. seq., NMSA, will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the various tracts in the unit area; the determination of credits and changes to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to unit voting procedures, selection, removal or substitution of the unit operator, and time of commencement and termination of unit operations. Said unit area is centered approximately 4.5 miles West-Northwest of Lovington, New Mexico.

**CASE 11196:** Application of Nearburg Exploration Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location in the Undesignated South Humble City-Strawn Pool to be drilled 330 feet from the South line and 1300 feet from the West line (Unit M) of Section 12, Township 17 South, Range 37 East. The S/2 SW/4 of said Section 12 to be dedicated to said well to form a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 3.25 miles north of Humble City, New Mexico.

**CASE 10653:** (Reopened - Continued from January 5, 1995, Examiner Hearing.)

In the matter of Case No. 10653 being reopened pursuant to the provisions of Division Order No. R-9842-A, which order provided for an increase in allowable to 300 BOPD for the Northeast Lea-Delaware Pool, in Eddy County, New Mexico. Operators in the subject pool may appear and present evidence and show cause why said 300 BOPD allowable should not revert to the standard 107 BOPD depth bracket allowable.

**CASE 11197:** In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating, extending horizontal and vertical limits, and redesignating certain pools in Chaves and Lea Counties, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Bell Lake-Delaware Pool. The discovery well is the Strata Production Company Papagayo Federal Well No. 1 located in Unit M of Section 27, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 27: SW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Casey-San Andres Pool. The discovery well is the Yates Petroleum Corporation Burton AER Well No. 1 located in Unit J of Section 26, Township 16 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 26: SE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the West Knowles-Strawn Pool. The discovery well is the Anson Gas Corporation Anderson 33 Well No. 1, bottom hole location in Unit G of Section 33, Township 16 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM

Section 33: NE/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production and designated as the Northeast Lea-Grayburg Pool. The discovery well is the Mallon Oil Company Mallon 34 Federal Well No. 1 located in Unit D of Section 34, Township 19 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 34: NW/4

**CASE 11190:** Application of MYCO Industries, 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 Cisco formation to the base of the Morrow formation underlying the E/2 of Section 22, Township 18 South, Range 29 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Palmillo-Cisco Gas Pool, the Turkey Track-Atoka Gas Pool, and the North Turkey Track-Morrow 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 said well. Said unit is located approximately 11 miles southwest by south of Loco Hills, New Mexico.

**CASE 11191:** Application of Great Western Drilling Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its existing Glenn Cleveland Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 7, Township 15 South, Range 35 East, in order to test and recomplate this well in the Morrow formation. The E/2 of said Section 7 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit. Said unit is located approximately 7 miles northwest of Lovington, New Mexico.

**CASE 11192:** 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 (standard 160-acre dedication comprising the SW/4) with gas from the Basin-Fruitland Coal (Gas) Pool [305.33-acre dedication comprising Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent)] within the wellbore of its existing Murphy "A" Com A Well No. 1 located at a standard gas well location for both intervals 1650 feet from the South line and 990 feet from the West line (Unit L) of Section 2, Township 29 North, Range 11 West. Said well is located approximately 3.5 miles north-northeast of Bloomfield, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

**CASE 11165: (Reopened & Readvertised)**

Application of Naumann Oil & Gas Inc. to vacate Division Order No. R-6792, as amended, for compulsory pooling, a non-standard gas spacing and proration unit, and for an unorthodox surface and subsurface gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the East Custer-Devonian Gas Pool underlying Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 (W/2 equivalent) of Section 6, Township 25 South, Range 37 East, thereby forming a non-standard 312.95-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to the Dakota Resources Inc. Custer Wells Well No. 1 (API No. 30-025-27374), which is located at an unorthodox surface gas well location 1810 feet from the North line and 2164 feet from the West line (Unit F) of said Section 6, which is an existing and temporarily abandoned wellbore originally drilled directionally to the Ellenburger formation, and is to be recompleted in the East Custer-Devonian Gas Pool, the top of which is at an unorthodox subsurface location 1759 feet from the North line and 1269 feet from the West line (Unit E) of said Section 6. Also to be considered will be the costs of recompleting said well and the allocation of the costs 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 recompleting said well. Applicant further seeks an order vacating Division Order No. R-6792, as amended, which previously imposed a production limitation on Devonian gas production from said well. The proposed unit is located approximately 3 miles north of Jal, New Mexico.

**CASE 11193:** Application of ARCO Permian (A Unit of Atlantic Richfield) for short radius high angle/horizontal drainholes, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to recomplate three existing wells within its Empire Abo Pressure Maintenance Project Area with short radius high angle/horizontal drainholes of approximately 1,000 feet in length within the Empire-Abo Pool. The threes wells to be recompleted are located in either Sections 1 and 2 of Township 18 South, Range 27 East, being approximately 10 miles east-southeast of Riverside, New Mexico.

**CASE 11194:** Application of Charles B. Gillespie, Jr. for a pressure maintenance project and qualification for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute a pressure maintenance project in the designated and Undesignated West Lovington-Strawn Pool within its proposed West Lovington Strawn Unit Area (being the subject of Case No. 11195) located in portions of Townships 15 and 16 South, Ranges 35 and 36 East, by the injection of natural gas through the perforated interval from approximately 11,424 feet to 11,434 feet into its existing Speight Fee Well No. 1 located 660 feet from the North line and 2310 feet from the West line (Lot 3/Unit C) of Section 1, Township 16 South, Range 35 East. Applicant further seeks to qualify this project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 4.5 miles west-northwest of Lovington, New Mexico.