

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 16, 1995

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 35-95 and 36-95 are tentatively set for December 7, 1995 and December 21, 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 11394: (Continued from November 2, 1995, Examiner Hearing.)

Application of Harvey E. Yates Company for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed Bennett Ranch Federal Unit Area containing 8856.90 acres, more or less, of Federal and State lands comprising all or portions of Sections 1-3, 10-15, 22-27, 35 and 36, Township 26 South, Range 12 East, and all or portions of Sections 18, 19, 30, and 31, Township 26 South, Range 13 East. Said unit area is located approximately 32 miles east-northeast of the intersection of U.S. Highway 54 with the Texas-New Mexico state line.

CASE 10935: (Reopened)

In the matter of Case No. 10935 being reopened pursuant to the provisions of Division Order No. R-10096, which order established special pool rules for the Nash Draw-Brushy Canyon Pool in Eddy County, New Mexico. Operators in the subject pool may appear and show cause why the temporary special rules and regulations for the Pool should not be rescinded.

CASE 11398: (Continued from October 5, 1995, Examiner Hearing.)

Application of Pogo Producing Company for pool expansion, pool abolishment, downhole commingling, and for the establishment of special poolwide downhole commingling rules and administrative procedures, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to abolish the South Red Tank-Delaware Pool comprising portions of Sections 25 and 36, Township 22 South, Range 32 East. The applicant further seeks to expand the West Red Tank-Delaware Pool, which currently comprises all or portions of Sections 14, 22, 23, 26, 27, 28, 34, and 35, Township 22 South, Range 32 East, by including the acreage previously contained within said South Red-Tank Delaware Pool. Applicant further seeks approval to downhole commingle West Red Tank-Delaware and Red Tank-Bone Spring Pool production within six existing wells it operates in this area. The applicant further seeks to establish special poolwide rules and administrative procedures governing the downhole commingling of Delaware and Bone Spring production, said rules to include a provision for a commingled allowable equal to the depth bracket allowable for the upper pool. The subject acreage is centered approximately 9.5 miles northeast of the intersection of State Highway 128 and the Eddy/Lea County line.

CASE 11403: (Readvertised and Continued from November 2, 1995, Examiner Hearing.)

Application of Pogo Producing Company for a pilot pressure maintenance project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot pressure maintenance project on its Neff Federal Lease comprising all of Section 25, Township 22 South, Range 31 East, by the injection of water into the Delaware formation of the Livingston Ridge-Delaware Pool through perforations from approximately 7050 feet to 7068 feet in its existing Neff Federal Well No. 3 located 430 feet from the North line and 760 feet from the West line (Unit D) of Section 25. Said well is located approximately 9 miles north of the intersection of State Highway 128 with the Eddy/Lea County line.

CASE 11423: **Application of Louis Dreyfus Natural Gas Corp. for an unorthodox oil well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval for its E. V. "State " Well No. 3 to be drilled to the Delaware formation at an unorthodox location 1180 feet from the North line and 330 feet from the East line (Unit A) of Section 32, Township 22 South, Range 26 East, the NE/4 NE/4 of said Section 32 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 5.3 miles southwest of Carlsbad, New Mexico.

CASE 11424: **Application of Enron Oil & Gas Company for downhole commingling and a special allowable, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks exceptions from the Division General Rule 303(C) to establish an area-wide basis authorization for downhole commingling of Delaware, Bone Spring and Wolfcamp formations production in the wellbores of existing or future wells drilled anywhere within Section 36, Township 22 South, Range 30 East; the S/2 of Section 31, Township 22 South, Range 31 East; Section 1, Township 23 South, Range 30 East; and Section 6, Township 23 South, Range 31 East, said production being from portions of the Southeast Quahada Ridge-Delaware Pool, Los Medanos-Bone Spring Pool and the South Los Medanos-Wolfcamp Pool. Applicant also seeks the establishment of a special allowable for wells commingled within this area based on the top allowable of the shallowest commingled formation i.e. 320 barrels of oil per day for Bone Springs or 187 barrels of oil per day where Delaware is commingled. The center of said area is located approximately 7 miles southeast of Lindsey Lake, New Mexico.

CASE 11425: Application of Arlen Dickson for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Atoka and Strawn formations, underlying the W/2 of Section 20, Township 22 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for both zones. Said unit is to be dedicated to an existing well which will be re-entered, located at a standard location 2198 feet from the North line and 1650 feet from the West line 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 area is located approximately 2 miles south-southeast of Carlsbad, New Mexico.

CASE 11408: (Readvertised)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Morton Exploratory Unit Agreement for an area comprising 2,178.68 acres, more or less, of State and Fee lands comprising all or portions of Sections 32 and 33, Township 14 South, Range 35 East, and Sections 4, 5 and 6 of Township 15 South, Range 35 East, which is located approximately 14 miles south-southwest of Tatum, New Mexico.

CASE 11426: Application of Yates Petroleum 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 Pennsylvanian formation, underlying the SE/4 NW/4 of Section 1, Township 14 South, Range 33 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 Lazy J-Pennsylvanian Pool. Said unit is to be dedicated to an existing well which will be re-entered located at a standard location 1980 feet from the North and West lines of said Section 1. 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 applicant as the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 20 miles southeast of the intersection of Highways 380 and FAS 1242, Lea County, New Mexico.

CASE 11339: (Continued from October 19, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for directional drilling and an unorthodox bottomhole location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Zinnia Federal Unit Well No. 1 from a unorthodox surface location 1980 feet from the North line and 910 feet from the West line (Unit E) of Section 27, Township 20 South, Range 29 East, to an unorthodox bottomhole gas well location within 50 feet of a point 1980 from the North line and 2405 feet from the East line (Unit G of Section 27, to test the Strawn and Morrow formations, Undesignated East Burton Flat-Strawn Gas Pool and Wildcat Morrow. The N/2 of Section 27 is to be dedicated to this well forming a standard 320-acre gas spacing and proration unit for both formations. Said well is located approximately 11 miles northeast of Carlsbad, New Mexico.

CASE 11427: Application of Maralo, Inc. 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 Wolfcamp formation, underlying the N/2 NE/4 of Section 20, Township 13 South, Range 38 East. Said unit is to be dedicated to its Lowe "20" Well No. 1 at a previously approved unorthodox oil well location 350 feet from the North line and 1550 feet from the East line, forming an 80-acre oil spacing and proration unit for the Wolfcamp formation for a new pool to be governed by temporary special pool rules and regulations. 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 area is located approximately 6.25 miles southeast by south of Carlsbad, New Mexico.

CASE 11428: Application of Maralo, Inc. 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 underlying the S/2 NE/4 for all formations developed on 80-acre spacing of Section 20, Township 13 South, Range 38 East. Said unit is to be dedicated to its Lowe "20" Well No. 2 to be drilled at an unorthodox location 1650 feet from the North line and 1980 feet from the East line (Unit G) 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 applicant as the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6.5 miles south-southeast of Carlsbad, New Mexico.