

CASE 11539: (Continued from July 11, 1996, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant seeks approval to drill its Mimosa AHS Federal Well No. 3 at an unorthodox location 660 feet from the South line and 330 feet from the East line of Section 4, Township 20 South, Range 24 East. The S/2 of said Section 4 is to be dedicated to the well. Applicant further requests approval of the unorthodox location as to all prospective pools or formations including but not limited to the Upper Pennsylvanian (Canyon) and Morrow formations. Said unit is located approximately 14 miles south-southeast of Hope, New Mexico.

CASE 11579: **Application of Pogo Producing Company for a pressure maintenance project, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to institute a pressure maintenance project in the West Red Tank-Delaware Pool within its federal oil and gas lease (No. NM-86149) comprising the W/2 of Section 26, Township 22 South, Range 32 East, by the injection of natural gas through the perforated interval from approximately 8,399 feet to 8,471 feet into its existing Red Tank "26" Federal Well No. 1 located 1880 feet from the South and West lines (Unit K) of said Section 26. Said project area is located approximately 29 miles west by south of Eunice, New Mexico.

CASE 11580: **Application of Devon Energy Operating Corporation for waterflood expansion, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authority to expand its Keel-West Waterflood Project, Grayburg-Jackson Pool, located in portions of Sections 3, 4, 9, and 10, Township 17 South, Range 31 East, herein authorized by Division Order Nos. R-2268, as amended, by converting seven producing oil wells into water injection wells. Said project area is located approximately seven miles west of Maljamar, New Mexico.

CASE 11581: **Application of Devon Energy Operating Corporation for abolishment of the Fren-Seven Rivers Pool and extension of the vertical limits of the Grayburg-Jackson Pool, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order abolishing the Fren-Seven Rivers Pool, which comprises portions of Township 17 South, Ranges 30 and 31 East, and extending the vertical limits of the Grayburg-Jackson Pool to include the Seven Rivers formation within the area now included in the Fren-Seven Rivers Pool. The subject area is centered approximately 4 miles east of Loco Hills, New Mexico.

CASE 11516: (Reopened)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit H & W Enterprises, operator, American Employers' Insurance Company, surety, and all interested parties to appear and show cause why the Mobil State Well No. 1, located 2310 feet from the North line and 990 feet from the East line (Unit H) of Section 16, Township 17 South, Range 31 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division approved plugging program. Further, an order is being sought authorizing the Division to plug said well and order the forfeiture of the plugging bond in affect for said well.

CASE 11529: (Continued from June 13, 1996, Examiner Hearing.)

Application of Doyle Hartman and Margaret Hartman, d/b/a Doyle Hartman, Oil Operator for (i) an amendment to Division Order No. R-5448, (ii) an acreage rededication, (iii) the formation of two non-standard gas proration units, (iv) an unorthodox gas well location, (v) compulsory pooling, and (vi) an order requiring Meridian Oil, Inc. to compensate applicant for certain revenues received by Meridian corresponding to the 320-acre non-standard gas proration unit previously approved by Division Order No. R-5448, Lea County, New Mexico. Applicant seeks to amend Division Order No. R-5448, dated June 8, 1977, which authorized the formation of a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 E/2 and E/2 W/2 of Section 7, Township 20 South, Range 37 East, and had dedicated thereon the Britt Well Nos. 3 and 12, located in Units "G" and "C", respectively, of said Section 7 (both wells are now operated by Meridian Oil, Inc.), by rededicating to said wells a 200-acre non-standard gas proration unit to comprise the W/2 NE/4, E/2 NW/4, and NE/4 SW/4 of said Section 7 and the formation of a 120-acre non-standard gas proration unit to comprise the SE/4 SW/4 and W/2 SE/4 of said Section 7. The applicant further seeks an order pooling all mineral interests within said Eumont Gas Pool underlying the proposed 120-acre non-standard gas spacing and proration unit, which is to be dedicated to a well to be drilled and completed at an orthodox location within said unit. 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 unit and a charge for risk involved in drilling and completing said well. Further, the applicant seeks an order from the Division directing Meridian Oil, Inc. to compensate Doyle Hartman, Oil Operator its proportional share of revenues, for the period September 1, 1991 to the present, corresponding to the 320-acre non-standard unit previously approved under Order No. R-5448. Said 320-acre tract is located approximately 3 miles south southwest of Monument, New Mexico.

CASE 11563: (Continued from July 11, 1996, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 80-acre spacing, including but not limited to the West Lovington-Strawn Pool, under Lots 15 and 16 of Section 3 and all interests in all formations developed on 40-acre spacing, including but not limited to the Northeast Eidson-Mississippian Pool, under Lot 16 of Section 3, all in Township 16 South, Range 35 East. Said unit is to be dedicated to its Nike "3" Well No. 1 to be drilled at a standard location 2970 feet from the South line and 330 feet from the East line of said Section 3. 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 area is located approximately 4 miles west of Lovington, New Mexico.

CASE 11564: (Continued from July 11, 1996, Examiner Hearing.)

Application of Nearburg Exploration Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its proposed Black River "3" Federal Well No. 1 at an unorthodox gas well location 1330 feet from the South line and 1650 feet from the West line (Unit K) of Section 3, Township 24 South, Range 26 East, to be dedicated to a standard 320-acre spacing unit consisting of the W/2 of said Section 3 and to be dedicated to any and all production herein including but not necessarily limited to the Undesignated South Carlsbad-Morrow Gas Pool. Said unit is approximately 10 miles southwest of Whites City, New Mexico.

CASE 11576: **Application of Penwell Energy, 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 Bone Springs formation underlying the SW/4 SW/4 of Section 8, Township 23 South, Range 32 East forming a standard 40-acre oil spacing and proration unit. Applicant proposes to dedicate this pooled unit to its Tomcat 8 Federal Well No. 1 to be drilled at a standard location 430 feet from the South line and 330 feet from the West line (Unit M) of said Section 8. 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 area is located approximately 5.25 miles north by east of the Lea/Eddy county line on New Mexico State Highway No. 128.

CASE 11577: **Application of Amerada Hess Corporation for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its Vinson Well No. 1 in order to test the Undesignated Warren-McKee Pool and Fusselman formation at an unorthodox oil well location 210 feet from the South line and 2520 feet from the West line (Unit N) of Section 4, Township 20 South, Range 38 East. The SE/4 SW/4 of said Section 4 is to be dedicated to said well forming a standard 40-acre oil spacing unit. Said unit is located approximately 8 miles south by west of Hobbs, New Mexico.

CASE 11534: (Continued from July 11, 1996, Examiner Hearing.)

Application of Enron Oil & Gas Company for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks authorization to drill its Greenback State Well No. 2 at an unorthodox oil well location 1980 feet from the North line and 1330 feet from the West line (Unit F) of Section 17, Township 24 South, Range 38 East, to be dedicated to a standard 40-acre oil spacing and proration unit consisting of the SE/4 NW/4 of said Section 17 in the East Fowler-Ellenburger Pool. Said unit is located approximately 6 miles northeast of Jal, New Mexico.

CASE 11578: **Application of Enron Oil & Gas Company 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 Morrow formation, underlying the following described acreage in Section 32, Township 17 South, Range 30 East, and in the following manner: (a) the S/4 to form 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 Sand Tank-Strawn Gas Pool, Undesignated South Loco Hills-Morrow Gas Pool, Undesignated Sand Tank-Morrow Gas Pool, and Undesignated Cedar Lake-Morrow Gas Pool; (b) the SW/4 to form 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; and, (c) the S/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any pools developed on 80-acre spacing within said vertical extent, which there does not appear to be any at this time. Said units are to be dedicated to a single well to be drilled at a standard location in the SE/4 SW/4 (Unit N) of said Section 32. 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 well location is approximately 2 miles south by west of Loco Hills, New Mexico.