

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 9, 1997

8:15 AM - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 32-97 and 33-97 are tentatively set for October 23, 1997 and November 6, 1997. 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 11842: (Continued from September 18, 1997, Examiner Hearing.)

Application of Kaiser-Francis Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval to drill its proposed State "8" Well No. 9 at an unorthodox location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 8, Township 16 South, Range 35 East, to the base of the Morrow formation, said location being unorthodox for any and all gas producing formations from the top of the Wolfcamp to the base of the Morrow formations, including but not limited to the Townsend-Morrow Gas Pool and, if productive, to be dedicated to a 320-acre gas spacing unit consisting of the N/2 of said Section 8. Said location is located approximately 7 miles southwest of Lovington, New Mexico.

CASE 11832: (Continued from September 18, 1997, Examiner Hearing.)

Application of UMC Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Strawn clastics to the base of the Woodford formation underlying the W/2 of Section 10, Township 16 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Townsend-Morrow Gas Pool and the Undesignated North Townsend-Mississippian Gas Pool. Said unit is to be dedicated to its Carlisle State Com Well No. 1, located at an orthodox location in said Section 10. 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 operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 6 miles west-southwest of Lovington, New Mexico.

CASE 11830: (Continued from September 18, 1997, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation, underlying the S/2 for all formations developed on 320-acre spacing, including the Avalon-Morrow Gas Pool, the West Burton Flat-Strawn Gas Pool and the Avalon-Upper Pennsylvanian Gas Pool; underlying the SW/4 for all formations developed on 160-acre spacing; underlying the E/2 SW/4 for all formations developed on 80-acre spacing; and underlying the NE/4 SW/4 for all formations developed on 40-acre spacing in Section 15, Township 21 South, Range 26 East. Said units are to be dedicated to its Carlsbad "15" Federal Com Well No. 1 to be drilled at a standard location 1980 feet from the South line and 1850 feet from the West line (Unit K) of said Section 15. 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 operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles northwest of Carlsbad, New Mexico.

CASE 11831: (Continued from September 4, 1997, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from 500 feet beneath the surface to the base of the Morrow formation underlying the following described acreage in Section 4, Township 18 South, Range 28 East, and in the following manner: Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) equivalent to form a standard 320.36-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Empire-Pennsylvanian Gas Pool and the Undesignated North Illinois Camp-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools spaced on 160-acre spacing within said vertical extent; and the N/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any formations and/or pools spaced on 80 acres within said vertical extent, including the Undesignated Travis-Upper Pennsylvanian Pool. Said units are to be dedicated to its Scoggin Draw "4" State Com Well No. 1, located 2310 feet from the South line and 660 feet from the West line (Unit L) of said Section 4. 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 operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 13 miles southeast of Artesia, New Mexico.

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CASE 11857: **Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 4, Township 17 South, Range 27 East, and in the following manner: the S/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Crow Flats-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent; and the SW/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within said vertical extent, including the Undesignated Daugherty Grayburg-San Andres Pool. Said units are to be dedicated to the applicant's LD Fed. "4" Well No. 1 to be drilled at an orthodox location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 4. 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 operator of the well and a charge for risk involved in drilling said well. Said units are located approximately 6.5 miles east-northeast of Artesia, New Mexico.

CASE 11858: **Application of Louis Dreyfus Natural Gas Corporation for compulsory pooling and an unorthodox well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 22, Township 22 South, Range 26 East, and in the following manner: the S/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Southeast Carlsbad-Wolfcamp Pool, Undesignated East Hackberry Hills-Canyon Gas Pool, Undesignated Northeast Sheep Draw-Strawn Gas Pool, Undesignated South Happy Valley-Atoka Gas Pool and the Undesignated Happy Valley-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent; and the NE/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within said vertical extent, including the Undesignated Happy Valley-Delaware Pool. Said units are to be dedicated to the applicant's White Wing "22" Fed. Com. Well No. 23 to be drilled at an unorthodox location 1980 feet from the South line and 2635 feet from the West line (Unit K) of Section 22. 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 operator of the well and a charge for risk involved in drilling said well. Said units are located approximately 3 miles southwest of Carlsbad, New Mexico.

CASE 11859: **Application of Louis Dreyfus Natural Gas Corp. for compulsory pooling and an unorthodox well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 13, Township 22 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing, including but not limited to the Happy Valley-Morrow Gas Pool; the SE/4 to form a 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing; and the SW/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its McGruder Federal Com "13" Well No. 1 which will be a directional wellbore with a surface location 280 feet from the South line and 1930 feet from the West line and with a bottomhole location 710 feet from the South line and 1650 feet from the East line (Unit O) of said Section 13. 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 operator of the well and a charge for risk involved in drilling said well. Said units are located approximately 6 miles southwest of Carlsbad, New Mexico.

CASE 11807: (Readvertised)

Application of Stevens & Tull, Inc. for salt water disposal, Lea County, New Mexico. Applicant seeks authority to dispose of water produced from the Yates-Seven Rivers formation back into the Yates-Seven Rivers formation of the West Teas Yates-Seven Rivers Pool in the interval from 3160 feet to 3418 feet in its State "BF" Well No. 4 located 330 feet from the North and East lines (Unit A) of Section 16, Township 20 South, Range 33 East. In addition, applicant seeks approval of a surface injection pressure of 1,000 psi and an administrative procedure for obtaining further increases in said limitation. Said well is located approximately 3 1/2 miles northeast of the intersection of U.S. Highway 180 and New Mexico Highway 176 in New Mexico.