

CASE 10323: (Continued from August 8, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. for compulsory pooling and a non-standard gas proration unit, 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 Morrow formation or to a depth of 15,100 feet, whichever is deeper, underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 31, Township 21 South, Range 32 East, forming a non-standard 334.72-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Red Tank-Atoka Gas Pool and Undesignated Bilbrey-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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 32.75 miles west of Eunice, New Mexico.

CASE 10375: Application of Union Oil Company of California D/B/A UNOCAL for high angle directional drilling pilot project, special operating rules therefor, unorthodox gas well location and simultaneous dedication, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a high angle directional drilling pilot project in an existing 160-acre gas spacing and proration unit in the South Blanco Pictured Cliffs Pool comprising the NE/4 of Section 20, Township 27 North, Range 6 West. The applicant proposes to utilize its existing Rincon Unit Well No. 254 located at an unorthodox surface gas well location 1419 feet from the North line and 794 feet from the East line (Unit H) of said Section 20 and penetrate the Pictured Cliffs formation with a 60 degree angled wellbore oriented in a westerly direction. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot offsetting provisions for said pool, pursuant to the Special Rules and Regulations for the South Blanco Pictured Cliffs Pool, as promulgated by Division Order No. R-8170, as amended. Further, the applicant proposes to simultaneously dedicate production from said well with production from the existing Rincon Unit Well No. 52 located at a standard gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of said Section 20, therefore any provisions adopted for said project area should contain provisions allowing for appropriate exceptions or amendments to the General Rules for the Prorated Gas Pools of New Mexico, as promulgated by said Order No. R-8170, as amended. Said unit is located approximately 10.5 miles southwest by south of Gobernador, New Mexico.

CASE 10368: (Continued from August 8, 1991, Examiner Hearing.)

Application of Johnny G. Jones for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to a depth of 13,800 feet, which correlates approximately to the base of the Strawn formation, underlying the SW/4 NE/4 (Unit G) of Section 34, Township 24 South, Range 34 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 only the Pitchfork Ranch-Strawn Pool. Said unit is to be dedicated to its existing Moore "34" Com Well No. 1 located 1980 feet from the North and East lines of said Section 34, which was plugged and abandoned in January 1988 and was re-entered on March 30, 1990. 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 16 miles west by north of Jal, New Mexico.

CASE 10367: (Continued from August 8, 1991, Examiner Hearing.)

Application of Chevron U.S.A. 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 B.V. Culp (NCT-A) Gas Com Well No. 11 to be drilled 660 feet from the North line and 2310 feet from the West line (Unit C) of Section 19, Township 19 South, Range 37 East. Said well is to be simultaneously dedicated with the B.V. Culp (NCT-A) Gas Com Well No. 10, located at a previously approved unorthodox gas well location 840 feet from the North line and 990 feet from the East line (Unit A) of said Section 19, to the existing 477.14-acre non-standard gas spacing and proration unit comprising Lots 1 and 2, NE/4, E/2 NW/4 and SE/4 of said Section 19 (established by Division Order No. R-1487) which is located approximately 1.5 miles northwest of Monument, New Mexico.

CASE 9854: (Reopened)

In the matter of Case 9854 being reopened pursuant to the provisions of Division Order No. R-9131-A/R-5353-K, which order reclassified the Diablo-Fusselman Pool in Chaves County, New Mexico, as an associated pool with special rules and regulations including provisions for 80-acre oil and 160-acre gas spacing and proration units, designated well location requirements, and established a gas/oil ratio (GOR) limitation of 6,500 cubic feet of gas per barrel of oil. All interested parties may appear and show cause why the Diablo-Fusselman Associated Pool should not be reclassified as either a gas pool or oil pool, to be governed by applicable statewide rules or to make any such recommendations regarding the proper spacing and development for said pool on a permanent basis.

CASE 10349: (Continued from July 11, 1991, Examiner Hearing.)

Application of Doyle Hartman, Oil Operator, for two non-standard gas proration units, unorthodox gas well locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to rededicate acreage in the Jalmat Gas Pool and form two non-standard gas spacing and proration units in the N/2 equivalent of Section 7, Township 23 South, Range 37 East. The Stevens "B-7" Com Well No. 1 located at an unorthodox gas well location 990 feet from the North and West lines (Unit D) of said Section 7 is to be dedicated to Lot 1, N/2 NE/4 and NE/4 NW/4 (N/2 equivalent) comprising 157.34 acres and the Stevens "B" Well No. 13 located at an unorthodox gas well location 1980 feet from the North line and 330 feet from the West line (Unit E) and Stevens "B-7" Com Well No. 2 also located at an unorthodox gas well location 1650 feet from the North and East lines (Unit G) are to be simultaneously dedicated to Lot 2, S/2 NE/4 and SE/4 NW/4 (S/2 N/2 equivalent) of said Section 7 comprising 157.31 acres. Said area is located approximately 14 miles north of Jal, New Mexico.

CASE 10358: (Continued from July 25, 1991, Examiner Hearing.)

Application of Conoco Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprising the SE/4 of Section 17, Township 22 South, Range 36 East, to be dedicated to the existing State "E" Well No. 2 located at a standard gas well location 1980 feet from the South line and 660 feet from the East line (Unit D) of said Section 17. Said unit is located approximately 7 miles south by west of Oil Center, New Mexico.

CASE 10363: (Continued from August 8, 1991, 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 in the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 25, Township 20 South, Range 24 East, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard 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 operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 8 miles west-southwest of Seven Rivers, New Mexico.

CASE 10356: (Continued from July 25, 1991, Examiner Hearing.)

Application of OXY USA, Inc. for an order affecting its Citgo Empire-Abo Pressure Maintenance Project and affecting ARCO Oil and Gas Company's Empire-Abo Pressure Maintenance Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to place its Citgo Empire-Abo Pressure Maintenance Project, located in portions of Section 35, Township 17 South, Range 27 East, and Section 2, Township 18 South, Range 27 East, under the provisions of Division Order A-261 (statewide oil prorationing) effective as of May 1, 1988 by rescinding Division Order R-4808 and by an exception to Rule 502 thereby establishing special assignment of allowables and adopting procedures concerning underproduction. Applicant further seeks a determination of the appropriate procedure to be applied by ARCO Oil and Gas Company in its Empire-Abo Pressure Maintenance Project, located in portions of Sections 34 and 36, Township 17 South, Range 27 East; portions of Sections 25, 26, 27 and 31 through 36, Township 17 South, Range 28 East; portions of Sections 29 and 30, Township 17 South, Range 29 East; portions of Sections 1 through 4, 8 through 11, 15 through 17, Township 18 South, Range 27 East; and portions of Sections 4, 5 and 6, Township 18 South, Range 28 East, concerning the accumulation of unused allowable under Rule 3 and Rule 5 of Order R-4549, as amended, to ensure that the correlative rights of the parties involved in these two adjoining projects are not impaired. Said Unit areas are located in an area 9 to 16 miles west by south of Loco Hills, New Mexico.

CASE 10323: (Continued from August 22, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. for compulsory pooling and a non-standard gas proration unit, 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 Morrow formation or to a depth of 15,100 feet, whichever is deeper, underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 31, Township 21 South, Range 32 East, forming a non-standard 334.72-acre gas spacing and proration unit for all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Red Tank-Atoka Gas Pool and Undesignated Bilbrey-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 and designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 32.75 miles west of Eunice, New Mexico.

 (Continued from August 22, 1991, Examiner Hearing.)

Application of Union Oil Company of California D/B/A UNOCAL for high angle directional drilling pilot project, special operating rules therefor, unorthodox gas well location and simultaneous dedication, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a high angle directional drilling pilot project in an existing 160-acre gas spacing and proration unit in the South Blanco Pictured Cliffs Pool comprising the NE/4 of Section 20, Township 27 North, Range 6 West. The applicant proposes to utilize its existing Rincon Unit Well No. 254 located at an unorthodox surface gas well location 1419 feet from the North line and 794 feet from the East line (Unit H) of said Section 20 and penetrate the Pictured Cliffs formation with a 60 degree angled wellbore oriented in a westerly direction. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot offsetting provisions for said pool, pursuant to the Special Rules and Regulations for the South Blanco Pictured Cliffs Pool, as promulgated by Division Order No. R-8170, as amended. Further, the applicant proposes to simultaneously dedicate production from said well with production from the existing Rincon Unit Well No. 52 located at a standard gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of said Section 20, therefore any provisions adopted for said project area should contain provisions allowing for appropriate exceptions or amendments to the General Rules for the Prorated Gas Pools of New Mexico, as promulgated by said Order No. R-8170, as amended. Said unit is located approximately 10.5 miles southwest by south of Gobernador, New Mexico.

CASE 10370: (Continued from August 22, 1991, Examiner Hearing.)

Application of Coleman Oil and Gas, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Point Lookout interval of the Blanco-Mesaverde Pool in the perforated interval from approximately 4380 feet to 4480 feet in its Sunco Disposal Well No. 1 to be drilled 1595 feet from the North line and 1005 feet from the West line (Unit E) of Section 2, Township 29 North, Range 12 West. Said location is approximately 2.5 miles south by east of Flora Vista, New Mexico.

CASE 10382: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain existing pools in Chaves and Eddy Counties, New Mexico:

- (A) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Canyon production and designated as the Frontier Hills-Upper Pennsylvanian Gas Pool. The discovery well is the Pacific Enterprises Oil Co. PEOC 15ST Well No. 1 located in Unit L of Section 15, Township 23 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 15: W/2

- (B) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the North Newmill-Pennsylvanian Gas Pool. The discovery well is the Robert J. Mannes State 35 Well No. 1 located in Unit J of Section 35, Township 3 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 3 SOUTH, RANGE 27 EAST, NMPM
Section 35: E/2

- (C) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:
TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 14: N/2
Section 15: E/2
- (D) EXTEND the East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 6: W/2
- (E) EXTEND the Cabin Lake-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 12: NW/4
- (F) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 15: All
Section 20: E/2
Section 21: W/2
Section 22: N/2
- (G) EXTEND the East Catclaw Draw-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 9: SE/4
- (H) EXTEND the South Culebra Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 36: E/2
- (I) EXTEND the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 8: E/2
Section 31: NE/4
- (J) EXTEND the South Dagger Draw-Upper Pennsylvanian Assoc. Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 36: N/2
- (K) EXTEND the Diamond Mound-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 4: S/2
- (L) EXTEND the Fadeaway Ridge-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 6: NE/4
- (M) EXTEND the Grayburg-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 11: S/2

CASE 10388: Application of Stevens Operating Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its McClellan Federal Well No. 6 to be drilled 660 feet from the North line and 330 feet from the West Line (Unit D) of Section 27, Township 13 South, Range 29 East, Undesignated South Lone Wolf-Devonian Pool, the NW/4 of said Section 27 to be dedicated to said well forming a standard 160-acre oil spacing and proration unit for said pool. Said unit is located approximately 18 miles east by north of Hagerman, New Mexico.

CASE 10375: (Continued from September 5, 1991, Examiner Hearing.)

Application of Union Oil Company of California D/B/A UNOCAL for high angle directional drilling pilot project, special operating rules therefor, unorthodox gas well location and simultaneous dedication, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a high angle directional drilling pilot project in an existing 160-acre gas spacing and proration unit in the South Blanco Pictured Cliffs Pool comprising the NE/4 of Section 20, Township 27 North, Range 6 West. The applicant proposes to utilize its existing Rincon Unit Well No. 254 located at an unorthodox surface gas well location 1419 feet from the North line and 794 feet from the East line (Unit H) of said Section 20 and penetrate the Pictured Cliffs formation with a 60 degree angled wellbore oriented in a westerly direction. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot offsetting provisions for said pool, pursuant to the Special Rules and Regulations for the South Blanco Pictured Cliffs Pool, as promulgated by Division Order No. R-8170, as amended. Further, the applicant proposes to simultaneously dedicate production from said well with production from the existing Rincon Unit Well No. 52 located at a standard gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of said Section 20, therefore any provisions adopted for said project area should contain provisions allowing for appropriate exceptions or amendments to the General Rules for the Prorated Gas Pools of New Mexico, as promulgated by said Order No. R-8170, as amended. Said unit is located approximately 10.5 miles southwest by south of Gobernador, New Mexico.

CASE 10252: (Continued from July 11, 1991, Examiner Hearing.)

Application of Amerada Hess Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its proposed North Monument Grayburg/San Andres Unit Area (Division Case No. 10253) located in portions of Townships 19 and 20 South, Ranges 36 and 37 East, by the injection of water into the Eunice Monument Grayburg-San Andres Pool through 108 certain wells to either be recompleted or converted from producing or abandoned wells to water injection wells. Said project area surrounds Monument, New Mexico.

CASE 10389: Application of Chi Operating Inc. for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying Lots 1 and 2, S/2 NW/4, SW/4 (W/2 equivalent) of Section 5, Township 8 South, Range 37 East, forming a 319.09-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently is applicable to only gas wells drilled in the Undesignated Bluitt-San Andres Associated 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1 mile north of Bluitt, New Mexico.

CASE 10363: (Continued from September 5, 1991, 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 in the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 25, Township 20 South, Range 24 East, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard 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 operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 8 miles west-southwest of Seven Rivers, New Mexico.

CASE 9872: (Reopened)

In the matter of Case 9872 being reopened pursuant to the provisions of Division Order No. R-9463, which order, among other things, provided for the reopening of said Case 9872 in order that all operators in the Burton Flat-Morrow Gas Pool, Eddy County, New Mexico, may appear and present evidence relative to the permanent termination of gas prorationing for said Burton Flat-Morrow Gas Pool.

CASE 10390: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending certain pools in Chaves and Lea Counties, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Bootleg Ridge-Atoka Gas Pool. The discovery well is the Pogo Producing Company NBR Well No. 1 located in Unit J of Section 18, Township 22 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM
Section 18: E/2

- (b) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Abo production and designated as the Cedar Point-Abo Pool. The discovery well is the McClellan Oil Corporation McClellan A Fed. Well No. 2 located in Unit H of Section 27, Township 15 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 27: NE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Dos Amigos-Wolfcamp Pool. The discovery well is the Harvey E. Yates Company Buckeye 12 State Well No. 1 located in Unit F of Section 12, Township 18 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 12: NW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the East Gem-Bone Spring Pool. The discovery well is the Mitchell Energy Corporation Sapphire Federal Unit Well No. 1 located in Unit J of Section 23, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 23: SE/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East Gem-Delaware Pool. The discovery well is the Mitchell Energy Corporation Sapphire Federal Unit Well No. 2 located in Unit C of Section 23, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 23: NW/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the South Laguna Valley-Morrow Gas Pool. The discovery well is the BTA Oil Producers Aline 9012 JV-P Well No. 1 located in Unit G of Section 36, Township 20 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 36: N/2

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Northeast Livingston Ridge-Delaware Pool. The discovery well is the Yates Petroleum Corporation Rosemary AJB Federal Well No. 1 located in Unit L of Section 6, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 6: SW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the North Nonombre-Upper Pennsylvanian Pool. The discovery well is the Yates Petroleum Corporation Fort AJO Well No. 1 located in Unit P of Section 20, Township 13 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 20: SE/4