

Dockets Nos. 31-91 and 32-91 are tentatively set for October 31, 1991 and November 7, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 17, 1991**

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,  
SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner or Michael E. Stogner, Alternate Examiner:

**CASE 10379:** (Continued from September 19, 1991, Examiner Hearing. This case will be dismissed.)

Application of Thomas Ray Sivley for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Federal Silver Lease Well No. 2 to be drilled 1400 feet from the South line and 1600 feet from the East line (Unit J) of Section 28, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, an existing 40-acre oil spacing and proration unit comprising the NW/4 SE/4 of said Section 28 is to be dedicated to said well. Said unit is located approximately 5 miles south of U. S. Highway 62/180 at mile marker No. 78.

**CASE 10399:** Application of Meridian Oil, Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, non-standard oil proration unit, special project allowable and increase in gas-oil ratio, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Rio Puerco-Mancos Oil Pool by commencing its San Isidro Wash Well No. 1 at a standard surface oil well location tentatively selected in the NW/4 NW/4 (Unit D) of Section 21, Township 20 North, Range 3 West, drill vertically to a depth of approximately 3,000 feet, kick-off in a southeasterly direction, build angle up to approximately 80 degrees and then drill horizontally for approximately 4,000 feet. Applicant, further seeks the adoption of special operating provisions and rules within the pilot project area including a special project allowable of up to 640 BOPD with a GOR of 1,000 to 1, and an unorthodox well location exception. Applicant further seeks the flexibility to dedicate the N/2 of said Section 21 to the well as a standard 320-acre spacing unit or, in the alternative, the approval of all of Section 21 as a 640-acre non-standard spacing unit. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot setback from the outer sides of the assigned spacing unit. Said unit is located approximately 12 miles west-southwest of Cuba, New Mexico.

**CASE 10391:** (Continued from October 3, 1991, Examiner Hearing.)

Application of Bird Creek Resources, Inc. 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 Bone Spring formation or 8300 feet, whichever is deeper, underlying the N/2 NE/4 of Section 21, Township 23 South, Range 28 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent, which presently includes only the Undesignated South Culebra Bluff-Bone Spring Pool. Said unit is to be dedicated to its Barkham Well No. 3 to be drilled at a standard oil well location in the NE/4 NE/4 (Unit A) of said Section 21. 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 0.5 miles northeast of Loving, New Mexico.

**CASE 10395:** (Readvertised)

Application of Hal J. Rasmussen Operating, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Jalmat Pool in the perforated interval from approximately 3260 feet to 3269 feet in its Mobil State Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 16, Township 23 South, Range 36 East. Said location is approximately 13.5 miles north-northwest of Jal, New Mexico.

**CASE 10394:** (Continued from October 3, 1991, Examiner Hearing.)

Application of Nearburg Producing 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 Bone Spring formation underlying the NE/4 SE/4 (Unit I) of Section 31, Township 24 South, Range 29 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard oil 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 well is located approximately 4.5 miles southeast of Malaga, New Mexico.

CASE 10400: Application of Stevens Operating Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated intervals from 2766 feet to 3130 feet and the open hole interval from 3205 feet to 3300 feet in the previously plugged and abandoned McClellan Oil Corporation North King Camp Unit Well No. 8 located 1980 feet from the South line and 660 feet from the East line (Unit D), Section 27, Township 13 South, Range 29 East. Said location is approximately 18.5 miles east by north of Hagerman, New Mexico.

CASE 10352: (Continued from October 3, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. 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 W/2 of Section 36, Township 20 South, Range 28 East, forming a standard 320-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 North Turkey Track-Cisco Gas Pool, Undesignated Palmillo Draw-Strawn Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NW/4 SW/4 of said Section 36. 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 12 miles southwest of Loco Hills, New Mexico.

CASE 10372: (Continued from October 3, 1991, Examiner Hearing.)

Application of Parker & Parsley Development Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the S/2 equivalent of Section 33, Township 31 North, Range 4 West, forming a standard 320-acre, more or less, spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes only the Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said Section 33. 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 15 miles west-southwest of Dulce, New Mexico.

CASE 10401: Application of Texaco Exploration & Production, Inc. for a secondary recovery project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute either a pressure maintenance or waterflood pilot project, whichever is deemed applicable pursuant to Division General Rule 701 on its New Mexico State "AT" and New Mexico State "AN" Leases comprising Sections 15 and 22, Township 14 South, Range 33 East, by the injection of water into the Saunders-Permo Upper Pennsylvanian Pool through four certain producing wells to be converted to injection. Said project area is located approximately 3 miles north-northwest of Warren Petroleum Company's Saunders Gas Plant.

CASE 10402: (This case will be dismissed.)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, 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 area in Section 33, Township 22 South, Range 26 East, and in the following manner: the N/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Sheep Draw-Strawn Gas Pool, Undesignated Northeast Sheep Draw-Strawn Gas Pool, Undesignated South Carlsbad-Atoka Gas Pool, Undesignated South Carlsbad-Morrow Gas Pool, and the Undesignated Happy Valley-Morrow Gas Pool, and the NE/4 forming 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. Said units are to be dedicated to a single well to be drilled 660 feet from the North line and 2,310 feet from the East line (Unit B) of said Section 33, which is a standard location for 320-acre spacing and unorthodox for 160-acre spacing. 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 2 miles west-northwest of the Cavern City (Carlsbad) Airport.

Dockets Nos. 34-91 and 35-91 are tentatively set for November 21, 1991 and December 5, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 7, 1991**  
**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,**  
**SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner or Michael E. Stogner, Alternate Examiner:

**CASE 10395:** (Continued from October 31, 1991, Examiner Hearing.)

Application of Hal J. Rasmussen Operating, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Jalmat Pool in the perforated interval from approximately 3260 feet to 3269 feet in its Mobil State Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 16, Township 23 South, Range 36 East. Said location is approximately 13.5 miles north-northwest of Jal, New Mexico.

**CASE 10409:** Application of Stevens Operating Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 2766 feet to 3130 feet and in the open hole interval from approximately 3205 feet to 3300 feet in the McClellan Oil Corporation, McClellan Federal Well No. 1, located 660 feet from the South and East lines (Unit P), Section 27, Township 13 South, Range 29 East. Said location is approximately 18.3 miles east by north of Hagerman, New Mexico.

**CASE 10399:** (Continued from October 17, 1991, Examiner Hearing.)

Application of Meridian Oil, Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, non-standard oil proration unit, special project allowable and increase in gas-oil ratio, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Rio Puerco-Mancos Oil Pool by commencing its San Isidro Wash Well No. 1 at a standard surface oil well location tentatively selected in the NW/4 NW/4 (Unit D) of Section 21, Township 20 North, Range 3 West, drill vertically to a depth of approximately 3,000 feet, kick-off in a southeasterly direction, build angle up to approximately 80 degrees and then drill horizontally for approximately 4,000 feet. Applicant, further seeks the adoption of special operating provisions and rules within the pilot project area including a special project allowable of up to 640 BOPD with a GOR of 1,000 to 1, and an unorthodox well location exception. Applicant further seeks the flexibility to dedicate the N/2 of said Section 21 to the well as a standard 320-acre spacing unit or, in the alternative, the approval of all of Section 21 as a 640-acre non-standard spacing unit. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot setback from the outer sides of the assigned spacing unit. Said unit is located approximately 12 miles west-southwest of Cuba, New Mexico.

**CASE 10391:** (Continued from October 31, 1991, Examiner Hearing.)

Application of Bird Creek Resources, Inc. 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 Bone Spring formation or 8300 feet, whichever is deeper, underlying the N/2 NE/4 of Section 21, Township 23 South, Range 28 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent, which presently includes only the Undesignated South Culebra Bluff-Bone Spring Pool. Said unit is to be dedicated to its Barkham Well No. 3 to be drilled at a standard oil well location in the NE/4 NE/4 (Unit A) of said Section 21. 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 0.5 miles northeast of Loving, New Mexico.

**CASE 10410:** Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the following described area in Section 16, Township 18 South, Range 27 East, and in the following manner: the W/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Scoggin Draw-Atoka Gas Pool, Undesignated Red Lake-Atoka-Morrow Gas Pool, Scoggin Draw-Morrow Gas Pool, and Undesignated Red Lake-Pennsylvanian Gas Pool; the SW/4 forming 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, the SE/4 SW/4 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. Said units are to be dedicated to a single well to be drilled at an unorthodox gas well location 990 feet from the South line and 1980 feet from the West line (Unit N) of said Section 16. 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 6 miles south of Riverside, New Mexico.

CASE 10411: Application of Pantera Energy 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 area in Section 22, Township 18 South, Range 28 East, and in the following manner: the S 2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Palmillo Draw-Atoka Gas Pool and Undesignated North Turkey Track-Morrow Gas Pool; the SE/4 forming 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; the S 2 SE 4 forming an 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent; which presently includes only the Travis-Upper Pennsylvanian Pool; and, the SW 4 SE 4 forming a 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 Artesia Queen-Grayburg-San Andres Pool. Said units are to be dedicated to a single well to be drilled at a standard location 660 feet from the South line and 1980 feet from the East line (Unit O) of said 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 area is located approximately 12 miles southwest by west of Loco Hills, New Mexico.

CASE 10386: (Reopened and continued from October 31, 1991, Examiner Hearing.)

Application of McKay Oil 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 N/2 of Section 25, Township 20 South, Range 24 East, forming a standard 320-acre oil or 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 unit is located approximately 8 miles west-southwest of Seven Rivers, New Mexico. This matter is being reopened at this time to consider additional testimony regarding an assignment of overriding royalty interest within the subject area.

CASE 10363: (Reopened and continued from October 31, 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 unit is located approximately 8 miles west-southwest of Seven Rivers, New Mexico. This matter is being reopened at this time to consider additional testimony regarding an assignment of overriding royalty interest within the subject area.

Dockets Nos. 36-91 and 1-92 are tentatively set for December 19, 1991 and January 9, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 5, 1991**  
**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,**  
**SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner or Michael E. Stogner, Alternate Examiner:

**CASE 10415:** Application of Samuel Gary, Jr. and Associates for a horizontal directional drilling pilot project, special operating rules therefor, an unorthodox surface oil well location, an exception to the pool's gas/oil ratio limitation factor, simultaneous dedication and possibly a non-standard oil proration unit, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Rio Puerco-Mancos Oil Pool by drilling vertically from an unorthodox surface location 330 feet from the South line and 1650 feet from the West line (Unit N) of Section 4, Township 20 North, Range 2 West, to a depth of approximately 3250 feet, kick-off in a northerly direction, build angle to approximately 83 degrees and then drill horizontally for approximately 3850 feet. The applicant is proposing to establish a window in the W/2 equivalent of said Section 4 whereby a horizontal displacement of said well's producing interval will be no closer than 660 feet from the W/2 outer boundary. Further, the applicant seeks the adoption of special operating provisions within the pilot project area including a special Gas-Oil Ratio of 1000 to 1 and the flexibility to dedicate up to the 597.28 acres comprising all of said Section 4. Also to be included is the simultaneous dedication of the proposed well with the existing Johnson "4" Well No. 14 located 860 feet from the South line and 1650 feet from the West line (Unit N) which has dedicated to it the S/2 of said Section 4. The subject area is located approximately 5.5 miles west-southwest of Cuba, New Mexico.

**CASE 10416:** Application of Presidio Exploration, Inc. for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 104.C. (2) to allow for the simultaneous dedication of East Burton Flat-Strawn Gas Pool production from the Superior Federal Well No. 9 located at a standard gas well location 1830 feet from the North line and 1980 feet from the East line (Unit G) of Section 1, Township 20 South, Range 29 East, and to a well to be drilled at an unorthodox gas well location 1300 feet from the North and West lines (Unit D) of said Section 1. Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 1 is to be the designated spacing unit for both wells comprising 321.20 acres. Said unit is located 15 miles southeast of Loco Hills, New Mexico.

**CASE 10417:** Application of Coquina Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 990 feet from the North and East lines (Unit A) of Section 34, Township 19 South, Range 25 East, the N/2 of said Section 34 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for any and all formations from the surface to the base of the Morrow formation spaced on 320 acres, which presently includes but is not necessarily limited to the Undesignated Dagger Draw-Strawn Gas Pool, North Cemetery Atoka Gas Pool and Cemetery-Morrow Gas Pool.

**Continued from November 7, 1991, Examiner Hearing.)**

**Application of Meridian Oil, Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, non-standard oil proration unit, special project allowable and increase in gas-oil ratio, Sandoval County, New Mexico.** Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Rio Puerco-Mancos Oil Pool by commencing its San Isidro Wash Well No. 1 at a standard surface oil well location tentatively selected in the NW/4 NW/4 (Unit D) of Section 21, Township 20 North, Range 3 West, drill vertically to a depth of approximately 3,000 feet, kick-off in a southeasterly direction, build angle up to approximately 80 degrees and then drill horizontally for approximately 4,000 feet. Applicant, further seeks the adoption of special operating provisions and rules within the pilot project area including a special project allowable of up to 640 BOPD with a GOR of 1,000 to 1, and an unorthodox well location exception. Applicant further seeks the flexibility to dedicate the N/2 of said Section 21 to the well as a standard 320-acre spacing unit or, in the alternative, the approval of all of Section 21 as a 640-acre non-standard spacing unit. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot setback from the outer sides of the assigned spacing unit. Said unit is located approximately 12 miles west-southwest of Cuba, New Mexico.

**CASE 10413:** (Continued from November 21, 1991, Examiner Hearing.)

**Application of Merrion Oil & Gas Corporation to revise the special rules and regulations for the Snake Eyes-Dakota "D" Gas Pool and for an unorthodox gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks to amend Division Order No. R-4343, which authorized 320-acre spacing units and limited well location requirements in the Snake Eyes-Dakota "D" Gas Pool, by either permitting the drilling of an optional second well on an existing 320-acre spacing unit without notice and hearing, provided that the second well would not be drilled in the quarter section of the unit which does not contain a well OR, IN THE ALTERNATIVE, to reestablish 160-acre spacing in said pool. In either instance the applicant further seeks to allow well locations to be no closer than 330 feet from the outer boundary of a spacing unit nor 330 feet from any quarter/quarter section line or subdivision inner boundary. Said pool is comprised of Sections 17 and 20, Township 21 South, Range 8 West, which is located approximately 15 miles south by east of Nageezi, New Mexico. In conjunction to the proposed rule changes the applicant seeks approval for an unorthodox gas well location for the existing Santa Fe "20" Well No. 3 located 2220 feet from the North line and 990 feet from the East line (Unit H) of said Section 20.

**CASE 10418:** **Application of Amoco Production Company for an exception to Rule 303-A and 309-A, surface commingling of condensate, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks an exception to Division General Rules 303-A and 309-A for the surface commingling of condensate production from gas wells completed in the Pictured Cliffs formation, Blanco-Mesaverde Pool, Otero-Chacra Pool, and Basin-Dakota Pool in the San Juan 28-7 Unit located in all or portions of Townships 27 and 28 North, Range 7 West, which is located approximately 16 miles east-southeast of Blanco, New Mexico.

**CASE 10419:** **Application of BTA Oil Producers for an unorthodox gas well location and a non-standard gas proration unit, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Undesignated White City-Pennsylvanian Gas Pool for a well to be drilled 1150 feet from the South line and 1650 feet from the East line (Unit O) of Section 4, Township 24 South, Range 26 East, which is located approximately 3.5 miles northwest of Black River Village, New Mexico. All of said Section 4 is to be dedicated to the well forming a non-standard 637.12-acre gas spacing and proration unit for said pool.

**CASE 10420:** **Application of Union Oil Company of California d/b/a UNOCAL, for designation of a tight formation, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks the designation of the Basin-Dakota Pool underlying portions of Townships 26 and 27 North, Ranges 6 and 7 West, containing 20,642.7 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area is located 22 miles southeast by east of Blanco, New Mexico.

**CASE 10421:** **Application of Union Oil Company of California d/b/a UNOCAL for designation of a tight formation, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks the designation of the Blanco-Mesaverde Pool underlying portions of Townships 26 and 27 North, Ranges 6 and 7 West, containing 20,642.7 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area is located 22 miles southeast by east of Blanco, New Mexico.

**CASE 10422:** **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 from the surface to the base of the Canyon formation underlying the SE/4 of Section 8, Township 19 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard location in the NW/4 SE/4 (Unit J) 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8.5 miles southwest by west of Dayton, New Mexico.

**CASE 10412:** (Continued from November 21, 1991, Examiner Hearing.)

**Application of MW Petroleum Corporation/Apache Corporation to amend Division Order No. R-9487-A, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks to amend Division Order No. R-9487-A, dated, which authorized the drilling of a well at an unorthodox gas well location 2049 feet from the North line and 480 feet from the West line (Unit E) of Section 12, Township 22 South, Range 23 East, NMPM, Indian Basin-Upper Pennsylvanian Gas Pool. Applicant specifically seeks to amend the gas allowable acreage factor assigned to the well by said order. All of Section 12 is dedicated to the subject well forming a standard 640-acre gas spacing and proration unit for said pool. Said unit is located approximately 20 miles West of Carlsbad, New Mexico.

**CASE 10468:** Application of Ultramar Oil and Gas Limited 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 Morrow formation underlying the E/2 of Section 16, Township 21 South, Range 35 East, forming a standard 320-acre gas spacing and proration unit for any and all formations spaced on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the South Osudo-Morrow Gas Pool. Said unit is to be dedicated its existing P. Q. Osudo State Com Well No. 1, which was drilled in 1989 at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 16. 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 6.5 miles west by south of Oil Center, New Mexico.

**CASE 10399:** (Continued from January 9, 1992, Examiner Hearing.)

Application of Meridian Oil, Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, non-standard oil proration unit, special project allowable and increase in gas-oil ratio, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Rio Puerco-Mancos Oil Pool by commencing its San Isidro Wash Well No. 1 at a standard surface oil well location tentatively selected in the NW/4 NW/4 (Unit D) of Section 21, Township 20 North, Range 3 West, drill vertically to a depth of approximately 3,000 feet, kick-off in a southeasterly direction, build angle up to approximately 80 degrees and then drill horizontally for approximately 4,000 feet. Applicant, further seeks the adoption of special operating provisions and rules within the pilot project area including a special project allowable of up to 640 BOPD with a GOR of 1,000 to 1, and an unorthodox well location exception. Applicant further seeks the flexibility to dedicate the N/2 of said Section 21 to the well as a standard 320-acre spacing unit or, in the alternative, the approval of all of Section 21 as a 640-acre non-standard spacing unit. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot setback from the outer sides of the assigned spacing unit. Said unit is located approximately 12 miles west-southwest of Cuba, New Mexico.

Dockets Nos. 13-92 and 14-92 are tentatively set for April 30, 1992 and May 14, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - THURSDAY - APRIL 16, 1992**

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,  
SANTA FE, NEW MEXICO**

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner:

**CASE 10465:** Application of Marbob Energy Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cedar Lake-Abo Pool through the perforated interval from approximately 6890 feet to 7480 feet in its Turner "B" Well No. 65 located 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 20, Township 17 South, Range 31 East. Said well is located approximately 5 miles east of Loco Hills, New Mexico.

**CASE 10466:** Application of Marbob Energy Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Cedar Lake-Abo Pool through the perforated interval from approximately 6890 feet to 7230 feet in its Turner "B" Well No. 69 located 380 feet from the North line and 2310 feet from the East line (Unit B) of Section 29, Township 17 South, Range 31 East. Said well is located approximately 5 miles east of Loco Hills, New Mexico.

**CASE 10457:** (Continued from April 2, 1992, Examiner Hearing.)

Application of Union Oil Company of California D/B/A UNOCAL, for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules for the Red Hills-Pennsylvanian Gas Pool, including a provision for 640-acre spacing units and designated well location requirements. Said pool comprises Sections 31, 32 and 33, Township 25 South, Range 33 East and Sections 4, 5, and 6, Township 26 South, Range 33 East and is located approximately 23 miles west of Jal, New Mexico.

**CASE 10467:** (This case will be continued to April 30, 1992.)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from a depth of 5000 feet below the surface to the base of the Morrow formation underlying the N/2 of Section 27, Township 18 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for any and all formations spaced on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Red Lake Atoka-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the North line and, either, 1310 feet or 1330 feet from the East line (Unit A or B) of said Section 27. 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 7.5 miles south by east of Riverside, New Mexico.

**CASE 10459:** (Continued from April 2, 1992, Examiner Hearing.)

Application of Bright & Company for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an exception to the pool's gas/oil ratio limitation factor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Undesignated Rio Puerco-Mancos Oil Pool by commencing its Cuba Mesa Unit Well No. 1 at a standard surface oil well location 730 feet from the North line and 1000 feet from the West line (Unit M) of Section 35, Township 21 North, Range 2 West, drill vertically to a depth of approximately 4000 feet, kick-off in a northerly direction, build angle up to approximately 88 degrees, drill horizontally for approximately 3000 feet, and bottom said wellbore at a location approximately 1250 feet from the North line and 660 feet from the West line of said Section 35. Said well is to be dedicated to the W/2 of said Section 35 forming a standard 320-acre oil spacing and proration unit for said pool. Applicant further seeks the adoption of special operating provisions and rules within the pilot project area including a special gas/oil ratio of 1,000 to 1. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot setback from the outer boundary of the assigned spacing unit. Said unit is located approximately 3.5 miles west by south of Cuba, New Mexico.



Dockets Nos. 3-92 and 4-92 are tentatively set for January 23, 1992 and February 6, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 9, 1992**

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,  
SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner or Michael E. Stogner, Alternate Examiner:

**CASE 10432:** Application of the OCD on its own motion to consider the amendment of Division Order No. R-6388-A, special rules and procedures for tight formation designations under Section 107 of the Natural Gas Policy Act of 1978. The Division seeks to adopt an administrative procedure for reviewing such applications for tight formation designations and submitting its recommendations to the FERC. Also to be considered are minor changes and/or additions to meet certain FERC requirements for such procedure.

(Continued from December 5, 1991, Examiner Hearing.)

Application of Meridian Oil, Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, non-standard oil proration unit, special project allowable and increase in gas-oil ratio, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Rio Puerco-Mancos Oil Pool by commencing its San Isidro Wash Well No. 1 at a standard surface oil well location tentatively selected in the NW/4 NW/4 (Unit D) of Section 21, Township 20 North, Range 3 West, drill vertically to a depth of approximately 3,000 feet, kick-off in a southeasterly direction, build angle up to approximately 80 degrees and then drill horizontally for approximately 4,000 feet. Applicant, further seeks the adoption of special operating provisions and rules within the pilot project area including a special project allowable of up to 640 BOPD with a GOR of 1,000 to 1, and an unorthodox well location exception. Applicant further seeks the flexibility to dedicate the N/2 of said Section 21 to the well as a standard 320-acre spacing unit or, in the alternative, the approval of all of Section 21 as a 640-acre non-standard spacing unit. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot setback from the outer sides of the assigned spacing unit. Said unit is located approximately 12 miles west-southwest of Cuba, New Mexico.

**CASE 10433:** Application of Geodyne Operating Company to amend Division Administrative Order No. SWD-449, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Administrative Order No. SWD-449, which order authorized the applicant to utilize the PFI Amoco "19" Federal Well No. 2 located 1687 feet from the South line and 2041 feet from the West line (Unit K) of Section 19, Township 22 South, Range 26 East, as a disposal well, injection to occur into the Delaware formation at approximately 2332 feet to 4538 feet, by contracting the injection interval to approximately 2332 feet to 2446 feet. Applicant further seeks the deletion of a provision within said order which required the applicant to perform remedial cement work on the Mitchell Energy Corporation McKittrick "30" Federal Well No. 1 located in Unit C of Section 30, Township 22 South, Range 26 East. Said well is located approximately 6.5 miles southwest of Carlsbad, New Mexico.

**CASE 10434:** Application of Hal J. Rasmussen Operating, Inc. for pool reclassification and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order reclassifying the Wilson Yates-Seven Rivers Pool, located in Township 21 South, Ranges 34 and 35 East, as an associated pool to be governed by the General Rules and Regulations for Associated Pools in Southeast New Mexico, as promulgated by Division Order No. R-5353, as amended. Applicant further seeks special provisions to provide for 160-acre gas and 40-acre oil proration units, a special gas/oil ratio limitation of 10,000 cubic feet of gas per barrel of oil, and any other provisions which may be applicable in this instance. Said pool is located approximately 15 miles west of Eunice, New Mexico.

**CASE 10422:** (Continued from December 19, 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 from the surface to the base of the Canyon formation underlying the SE/4 of Section 8, Township 19 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard location in the NW/4 SE/4 (Unit J) 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8.5 miles southwest of Dayton, New Mexico.

**CASE 10428: (Readvertised)**

**Application of ENRON Oil & Gas Company for designation of a tight formation, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks the designation of the Morrow formation underlying portions of Township 25 South, Ranges 33 and 34 East, containing 17,280 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area is located approximately 19 miles west northwest of Jal, New Mexico.

**CASE 10435:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- a. CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Cedar Canyon-Bone Spring Pool. The discovery well is the Vision Energy, H.B. 3 Federal Well No. 1 located in Unit J of Section 3, Township 24 South, Range 29 East, NMPM.

**TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM**  
Section 3: SE/4

In addition, a discovery allowable of 39,315 barrels of oil is hereby assigned to said discovery well to be produced over a period of 2 years.

- b. CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Upper Pennsylvanian production and designated as the North Santo Nino-Upper Pennsylvanian Pool. The discovery well is the Myco Ind., Inc. East Turkey Track Fed. Com Well No. 1 located in Unit K of Section 23, Township 18 South, Range 29 East, NMPM.

**TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM**  
Section 23: SW/4

- c. CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Tansill Dam-Atoka Gas Pool. The discovery well is the Bird Creek Resources Inc. Jarvis Mead Com. Well No. 1 located in Unit N of Section 5, Township 22 South, Range 27 East, NMPM.

**TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM**  
Section 5: W/2

- d. EXTEND the Burton-Delaware Pool in Eddy County, New Mexico, to include therein:

**TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM**  
Section 17: SW/4

- e. EXTEND the Crozier Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

**TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM**  
Section 14: E  
Section 23: N/2  
Section 26: N/2

- f. EXTEND the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

**TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM**  
Section 35: W/2

**TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM**  
Section 21: NE/4

- g. EXTEND the Livingston Ridge-Delaware Pool in Eddy County, New Mexico, to include therein:

**TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM**  
Section 14: SE/4