

Dockets Nos. 37-88 and 1-89 are tentatively set for December 21 and January 4, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 7, 1988

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:

ALLOWABLE: (1) Consideration of the allowable production of gas for January, 1989, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for January, 1989, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9550: Application of Meridian Oil Inc. for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2200 feet from the North line and 1360 feet from the East line (Unit G), Section 36, Township 30 North, Range 6 West, to test the Fruitland (sand) Formation, Lots 1 and 2 and the W/2 NE/4 of said Section 36 to be dedicated to said well forming a non-standard 115.04-acre gas spacing and proration unit for said zone. Said location is approximately 5.5 miles northwest by north of Gobernador, New Mexico.

CASE 9551: Application of Taxaco, U.S.A. for an exception to General Rule 303.A., surface commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to General Rule 303.A., authorizing surface commingling of Lovington-Grayburg-San Andres Pool and Lovington-Abo Pool production from the State "P" Lease located in Section 32, Township 16 South, Range 37 East, into a common tank battery. Said lease is located approximately 7 miles north-northwest of Humble City, New Mexico.

CASE 9524: (Continued from November 22, 1988, Examiner Hearing.) (Readvertised)

Application of Amerind Oil Company for directional drilling and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its State MTS Well No. 1 located at a standard surface location 1830 feet from the South line and 660 feet from the East line (Unit I) of Section 2, Township 17 South, Range 37 East, wherein the applicant proposes to directionally drill said well to penetrate the Strawn formation, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, at an unorthodox bottomhole location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2. The E/2 SE/4 of said Section 2 is to be dedicated to the subject well. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill the State MTS Well No. 1-A at an unorthodox surface location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2 to test the Strawn formation. This area is located approximately 4 miles North of Humble City, New Mexico.

CASE 9532: (Continued from November 22, 1988, Examiner Hearing.)

Application of Amerind Oil Company 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 Strawn formation underlying the E/2 SE/4 of Section 2, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing (which includes but is not necessarily limited to the Undesignated Shipp-Strawn Pool and the Undesignated Humble City-Atoka Pool). 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 area is located approximately 4.25 miles north of Humble City, New Mexico.

CASE 9552: Application of Amoco Production Company for an exception to General Rule 309-A, lease commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to General Rule 309-A to allow surface commingling of Mancos production (which includes but is not necessarily limited to the Gavilan-Mancos Oil Pool and Undesignated Gavilan-Mancos Oil Pool) from two or more separate leases in Sections 1 through 3 and 10 through 15, Township 26 North, Range 2 West, into a common tank battery without first metering production from the individual lease. Said area is located approximately 14 miles north by east of Lindrieth, New Mexico.

CASE 9553: Application of Benson-Montin-Greer Drilling Corp. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Basin-Dakota Pool and West Puerto Chiquito-Mancos Oil Pool within the wellbore of its Canada Citos Unit Well No. 22 located 1685 feet from the North line and 1860 feet from the West line (Unit F) of Section 20, Township 26 North, Range 1 West. Said well is located approximately 20 miles north of Regina, New Mexico.

CASE 9525: (Continued from November 9, 1988, Examiner Hearing.)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-6469, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-6469, as amended, to rescind approval for those non-standard proration units approved therein located in Township 24 North, Range 1 West and Township 26 North, Range 1 West. The center of said area is located approximately 13 miles southwest of Regina, New Mexico.

CASE 9554: Application of Blackwood & Nichols Co., Ltd. for an unorthodox gas well location and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location 680 feet from the South line and 850 feet from the West line (Unit N) of Irregular Section 19, Township 30 North, Range 7 West, Basin-Fruitland Coal Pool, Lots 13 and 14 of Section 18 and Lots 6, 7, 12, and 13, and the E/2 W/2 of Section 19, both in Township 30 North, Range 7 West, to be dedicated to this well forming a 307.44-acre non-standard gas spacing and proration unit for said pool. Said location is approximately 1/4 mile south-southwest from the Navajo Reservoir Dam.

CASE 9413: (Continued from November 22, 1988, Examiner Hearing.)

Application of Yates Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Avalon-Delaware Pool located in portions of Township 20 South, Ranges 27 and 28 East, including a provision to increase the gas-oil ratio limitation to 5,000 cubic feet of gas per barrel of oil. Said area is located approximately 9 miles north of Carlsbad, New Mexico.

CASE 9528: (Continued from November 22, 1988, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 17, Township 23 South, Range 31 East, and in the following described manner:

the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools (Undesignated Los Medanos-Morrow Gas and Undesignated West Sand Dunes-Atoka Gas Pools) developed on 320-acre spacing;

the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing; and,

the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools (Undesignated James Ranch-Bone Spring Pool) developed on statewide 40-acre spacing.

All of the above-described units are to be dedicated to a single well to be drilled at a standard location in the SW/4 NE/4 (Unit G) of said Section 17.

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 1.5 miles south by east of the James Ranch.

CASE 9555: Application of Charles B. Gillespie, Jr. for directional drilling and an unorthodox subsurface location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to recomplete its Shipp Well No. 1 located 550 feet from the North line and 2,310 feet from the East line (Unit B) of Section 11, Township 17 South, Range 37 East, wherein the applicant proposes to plug back to a depth of approximately 8,500 feet and directionally drill said well to penetrate the top of the Undesignated Humble City-Strawn Pool, within a 75 foot radius of an unorthodox location 990 feet from the North line and 2,310 feet from the East line (Unit B) of said Section 11. The W/2 NE/4 of said Section 11 is to be dedicated to the well forming a standard 80-acre oil proration unit for said pool. This area is located approximately 4 miles north of Humble City, New Mexico.