

Undesignated North Dagger Draw-Upper Pennsylvanian Pool). Both aforementioned units are to be dedicated to a well to be drilled at a standard location 1980 feet from the North and West Lines (Unit F) of said Section 2. 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 location is approximately 8 miles west by north of Seven Rivers, New Mexico.

CASE 9725: (Continued from October 4, 1989, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Red Rock "NB" Federal Well No. 2 to be drilled 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 28, Township 6 South, Range 25 East, Pecos Slope-Abo Gas Pool, the SW/4 of said Section 25 to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said pool. Said well location is approximately 13.25 miles north by west of the Pecos River Bridge on U.S. Highway 70.

CASE 9789: Application of Mobil Producing Texas and New Mexico Inc. for pool creation and special pool rules, or in the alternative for pool extension, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Mancos formation comprising all of Section 15, Township 23 North, Range 1 West, and for the promulgation of special rules and regulations therefor including provisions for 640-acre spacing and proration units, designated well location requirements, and the assignment of a special depth bracket allowable. IN THE ALTERNATIVE, the applicant seeks to extend the West Puerto Chiquito-Mancos Oil Pool to include all of Sections 3, 10 and 15, Township 23 North, Range 1 West. Applicant further requests that the effective date of any order issued in this case be the date of this hearing. Said area is located approximately 3 miles north-northeast of Regina, New Mexico.

CASE 9790: Application of Mallon Oil Company for pool creation and special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of gas from the Mesaverde formation comprising all of Sections 1 through 3, 10 through 15 and 22 through 24, Township 25 North, Range 2 West, and for the promulgation of special rules and regulations therefor including provisions for 320-acre spacing and proration units and designated well location requirements. Said area is bounded to the east by the Santa Fe National Forest and to the west by State Highway No. 95, extending three miles north and one mile south of Lindrith, New Mexico.

CASE 9791: Application of Bannon Energy Incorporated for extension and contraction of certain pools in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to contract the Lybrook-Gallup Oil Pool by the deletion of the NE/4 SW/4, S/2 SW/4, and SW/4 SE/4 of Section 31, Township 24 North, Range 6 West, to contract the Counselors Gallup-Dakota Oil Pool by the deletion of the NE/4 of Section 6 and N/2 of Section 5, both in Township 23 North, Range 6 West, and to extend the Escrito-Gallup Associated Pool to include therein the E/2 NE/4, NW/4, and S/2 of Section 31, Township 24 North, Range 6 West, and the NE/4 of Section 6 and N/2 of Section 5, both in Township 23 North, Range 6 West. This area is located approximately 3 miles northeast of the Southern Union Gas Company Lybrook Plant.

CASE 9792: Application of R. E. Hibbert for directional drilling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to sidetrack from its existing Ridge State Well No. 1 located at a previously approved unorthodox gas well location (NSL-2551) 360 feet from the North line and 1980 feet from the West line (Unit C) of Section 17, Township 24 South, Range 25 East, and directionally drill to an unorthodox gas well location in the Mosley Canyon-Strawn Gas Pool within 50 feet of a point 360 feet from the North line and 980 feet from the West line (Unit D) of said Section 17, the S/2 of said Section 17 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. This well is located approximately 4.5 miles northwest of Whites City, New Mexico.

CASE 9793: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, reclassifying, and extending certain pools in Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the West Tonto-Delaware Pool. The discovery well is the Mitchell Energy Corporation Federal SB Well No. 1 located in Unit J of Section 12, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 12: SE/4

- (b) RECLASSIFY the Oil Center-Glorieta Gas Pool in Lea County, New Mexico, to the Oil Center-Glorieta Oil Pool, because four of the five wells producing in this pool are classified as oil wells and because of low GOR's.

- (c) CONTRACT the Arrowhead-Grayburg Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 18: SE/4

- (d) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM  
Section 27: S/2

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM  
Section 14: E/2

- (e) EXTEND the East Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 23: S/2  
Section 26: NE/4

- (f) EXTEND the Imperial Tubb-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM  
Section 16: S/2

- (g) EXTEND the Langlie Mattix-Seven Rivers-Queen-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM  
Section 18: SE/4

- (h) EXTEND the Lusk-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 19: E/2

- (i) EXTEND the East Lusk-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 25: W/2  
Section 26: NE/4

- (j) EXTEND the West Lusk-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 17: SE/4

- (k) EXTEND the Mescalero Escarpe-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
Section 15: SE/4

- (l) EXTEND the Nadine Drinkard-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM  
Section 22: SE/4

- (m) EXTEND the Tonto-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM  
Section 14: NW/4

Examiner Hearing - Wednesday - November 1, 1989

- CASE 9800: Application of W. E. Jeffers for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for a well to be drilled 2310 feet from the South line and 2452 feet from the West line (Unit K) of Section 2, Township 18 South, Range 28 East, Artesia Queen-Grayburg-San Andres Pool, the NE/4 SW/4 of said Section 2 to be dedicated to said well and the existing Featherstone State Well No. 4 located at a standard oil well location 1650 feet from the South and West lines of said Section 2. Said unit is located approximately 2 miles southeast of the junction of U.S. Highway #2 and N.M. State Highway No. 360.
- CASE 9792: (Continued from October 18, 1989, Examiner Hearing.)
- Application of R. E. Hibbert for directional drilling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to sidetrack from its existing Ridge State Well No. 1 located at a previously approved unorthodox gas well location (MSL-2551) 360 feet from the North line and 1980 feet from the West line (Unit C) of Section 17, Township 24 South, Range 25 East, and directionally drill to an unorthodox gas well location in the Mosley Canyon-Strawn Gas Pool within 50 feet of a point 360 feet from the North line and 980 feet from the West line (Unit D) of said Section 17, the S/2 of said Section 17 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. This well is located approximately 4.5 miles northwest of Whites City, New Mexico.
- CASE 9801: Application of Conoco, 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 Cisco Canyon formation underlying the SW/4 of Section 36, Township 19 South, Range 24 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre spacing (which includes but is not necessarily limited to the Undesignated Dagger Draw-Wolfcamp Gas Pool and North Dagger Draw-Upper Pennsylvanian Pool). Said unit is to be dedicated to a well to be drilled at a standard location 660 feet from the South line and 990 feet from the West line (Unit M) 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 an operator of the well and a charge for risk involved in drilling said well. Said well location is approximately 15 miles west by south of Lakewood, New Mexico.
- CASE 9802: Application of Marathon Oil Company for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the South line and 1650 feet from the West line (Unit M) of Section 9, Township 21 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool, all of said Section 9, forming a standard 640-acre gas spacing and proration unit for said pool, to be simultaneously dedicated to said well and to the existing North Indian Basin Unit Well No. 5 located at a standard gas well location 1815 feet from the South line and 1752.3 feet from the East line (Unit J) of said Section 9. The subject spacing unit is located approximately 2.5 miles northwest of the applicant's Indian Basin Gas Plant.
- CASE 9803: Application of Meridian Oil Inc. for an unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Rosa Unit Well No. 257 to be drilled 955 feet from the South line and 725 feet from the West line (Unit M) of Section 27, Township 31 North, Range 5 West, the W/2 of said section being dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately 9 miles south of Mile Corner No. 237.5 located on the Colorado/New Mexico stateline.
- CASE 9804: Application of Meridian Oil Inc. for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 945 feet from the South line and 1210 feet from the West line (Unit M) of Section 6, Township 30 North, Range 9 West. Said well is to be dedicated to an existing 299.85-acre non-standard gas proration unit for the Blanco-Mesaverde Pool comprising Lots 3, 4, 5, 6 and 7 and the E/2 W/2 (W/2 equivalent) of Section 6 and Lots 1 and 2 and the E/2 NW/4 (NW/4 equivalent) of Section 7, Township 30 North, Range 9 West (authorized by Division Order No. R-35). Said location is approximately 12 miles west by north of the Navajo Reservoir Dam.

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CASE 9805: Application of Oryx Energy Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 26, Township 22 South, Range 34 East, Undesignated Antelope Ridge-Atoka Gas Pool, the S/2 of said Section 26 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately 4 miles north-northwest of the San Simon Sink.

CASE 9806: Application of Pacific Enterprises Oil Company for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North line and 1400 feet from the East line (Unit B) of Section 2, Township 10 South, Range 26 East, to test the Undesignated Four Ranch-PrePermian Gas Pool, Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) of said Section 2 to be dedicated to said well forming a 320.52-acre gas spacing and proration unit. Said unit is located approximately 6 miles east by south of the Pecos River Bridge on U.S. Highway 70.

CASE 9807: Application of Anadarko Petroleum Corporation for compulsory pooling, directional drilling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an order pooling all mineral interests in the Strawn formation underlying the SE/4 NW/4 (Unit F) of Section 33, Township 16 South, Range 39 East, forming a standard 40-acre oil spacing and proration unit for said zone. Said unit is to be dedicated to a well to be directionally drilled from a surface location 2440 feet from the North line and 2230 feet from the West line of said Section 33, to the Strawn formation at a true vertical depth of approximately 11,700 feet within a 125 foot radius of an unorthodox oil well location 2060 feet from the North line and 2500 feet from the West line 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 an operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles northeast by north of Hubble City, New Mexico.

CASE 9808: Application of TXO Production Corporation for compulsory pooling, directional drilling, and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated East Burton Flat-Strawn Gas Pool underlying the W/2 of Section 14, Township 20 South, Range 29 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 directionally drilled from a surface location 900 feet from the South line and 1815 feet from the West line (Unit M) of Section 11, Township 20 South, Range 29 East, to a non-standard bottomhole gas well location within 50 feet of a point 825 feet from the North line and 1815 feet from the West line (Unit C) of said Section 14. 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 location is approximately 4 miles north-northwest of the junction of U.S. Highway 62/190 and New Mexico State Highway 21.

CASE 9762: (Continued from October 18, 1989, Examiner Hearing.)

Application of TXO Production Corp. for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to directionally drill from a surface location 900 feet from the South line and 1815 feet from the West line (Unit M) of Section 11, Township 20 South, Range 29 East, to a standard bottomhole oil well location in the Strawn formation within 50 feet of a point 825 feet from the North line and 1815 feet from the West line (Unit C) of Section 14, Township 20 South, Range 29 East, the NE/4 NW/4 of said Section 14 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated South Parkway-Strawn Pool. This well location is approximately 4.25 miles north-northwest of the junction of U.S. Highway 62/190 and New Mexico State Highway 31.