

CASE 9935: Application of Harvey E. Yates Company for a horizontal directional drilling pilot project and special operating rules therefor, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the S/2 of Section 26, Township 13 South, Range 35 East., forming a standard 3-acre gas spacing and proration unit in the Northwest Austin-Mississippian Gas Pool. The applicant proposes to utilize its existing Duncan Unit Well No. 3 located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 26 by kicking-off from vertical in a northeasterly direction, build angle to approximately 90 degrees, and drill horizontally in the Northwest Austin-Mississippian Gas Pool for approximately 1000 to 1200 feet. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of the wellbore such that it can be no closer than 1980 feet from the end boundaries nor closer than 660 feet from the side boundaries of said spacing unit. Said project area is located approximately 4 miles west-northwest of McDonald, New Mexico.

CASE 9898: (Continued from April 4, 1990, Examiner Hearing.)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the SE/4 SW/4 and SE/4 of Section 5 and the NE/4 NE/4 and NE/4 NW/4 of Section 8, all in Township 20 South, Range 37 East, forming a non-standard 280-acre gas spacing and proration unit for said pool. The applicant proposes to dedicate all production from the Eumont Gas Pool to the existing Britt-Laughlin Com. Well No. 5 (formerly the Oxy USA, Inc. Laughlin "8" Well No. 5) located 330 feet from the South line and 2310 feet from the East line (Unit O) of said Section 5 and to the existing Britt-Laughlin Com. Well No. 1 (formerly the Britt "B-8" Well No. 1) located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 8 and to a third well to be drilled at an undetermined location in the SE/4 of said Section 5. Applicant further seeks to be designated operator of the non-standard gas proration unit so created and be entitled to recover out of the production therefrom his costs of drilling, completing and equipping a new infill well, plus a 200% risk factor for drilling, completing and equipping such new infill well, and an equitable and proper percentage of the value of the existing wellbores of applicant's Britt-Laughlin Com. Well Nos. 1 and 5, and all costs of supervision and operation of such non-standard gas proration unit, and that such order also provide for any other relief which may be deemed equitable and proper. The subject area is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9936: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, contracting, and extending certain pools in Chaves and Eddy Counties, New Mexico.

- ✓(a) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Acme-San Andres Pool. The discovery well is the Yates Petroleum Corporation Cactus Flower State Unit Well No. 2 in Unit F of Section 19, Township 8 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM

Section 19: E/2 W/2  
Section 30: NW/4

- ✓(b) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production and designated as the Otterback Ranch-Atoka Gas Pool. The discovery well is the Foran Oil Company State ET Well No. 1 located in Unit C of Section 36, Township 15 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM

Section 36: W/2

- ✓(c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Pierce Crossing-Bone Spring Pool. The discovery well is the Quinoco Petroleum Inc. Queen Lake 20 Fed. Well No. 1 located in Unit E of Section 20, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 20: NW/4

- ✓(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Russell-Wolfcamp Gas Pool. The discovery well is the Petroleum Corporation of Delaware Superior Fed. Well No. 5 located in Unit K of Section 5, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM

Section 5: W/2

- ✓(e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Scanlon Draw-Wolfcamp Pool. The discovery well is the Pennzoil Exploration Winchester Fed. Well No. 1 located in Unit H of Section 4, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 4: NE/4

- ?(f) ABOLISH the Rabbit Flats-PrePermian Gas Pool in Chaves County, New Mexico, consisting of the following acreage:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 36: W/2

CASE 9931: Application of Arco Oil & Gas Company for pressure maintenance expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Empire-Abo Unit Pressure Maintenance Project, authorized by Division Order No. R-4549, as amended, by converting its Empire Abo Unit "J" Well No. 10, located 2310 feet from the North and West lines (Unit F) of Section 3 and Empire Abo Unit "J" Well No. 13, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 2, both in Township 18 South, Range 27 East, Empire-Abo Pool, Empire Abo Unit Area, from producing oil wells to gas injection wells. Both wells are located in an area approximately 4.25 miles south-southeast of Riverside, New Mexico.

CASE 9932: Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks 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 38 East, forming a standard 40-acre oil spacing and proration unit for said formation. 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 unit is located approximately 7 miles northeast by north of Humble City, New Mexico.

CASE 9918: (Continued from April 18, 1990, Examiner Hearing.)

Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, the S/2 NE/4 and the SE/4 (E/2 equivalent) of Section 2, Township 29 North, Range 9 West, forming a standard 320.60-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 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 unit is located approximately 1.5 miles east of Turley, New Mexico.

CASE 9919: (Continued from April 18, 1990, Examiner Hearing.)

Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1, 2, 7, 8, 9, 10, 15 and 16 (E/2 equivalent) of Section 33, Township 30 North, Range 10 West, forming a standard 317.04-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/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 4.5 miles northwest of Blanco, New Mexico.

CASE 9933: Application of Amerind Oil Company Limited Partnership for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Shipp-Strawn Pool underlying the W/2 SE/4 of Section 5, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for said pool, 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 unit is located approximately 5.5 miles northwest of Humble City, New Mexico.

CASE 9934: Application of Amerind Oil Company Limited Partnership for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Shipp-Strawn Pool underlying the E/2 SW/4 of Section 35, Township 16 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at an unorthodox oil well location 1300 feet from the South line and 1750 feet from the West line (Unit N) of said Section 35. 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 5.5 miles north by west of Humble City, New Mexico.

CASE 9907: (Readvertised)

Application of Enron Oil & Gas Company for compulsory pooling and an unorthodox 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 Atoka formation underlying the following described acreage in Section 1, Township 24 South, Range 28 East, and in the following described manner: Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) to form a 319.36-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to either the Undesignated South Culebra Bluff-Atoka Gas Pool or Undesignated Malaga-Atoka Gas Pool); Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) to form a 159.52-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within said vertical extent; Lot 3 and the SE/4 NW/4 (E/2 NW/4 equivalent) to form a 79.80-acre oil spacing and proration unit for the Undesignated South Culebra Bluff-Bone Spring Pool which is developed on 80-acre spacing; and Lot 3 (NE/4 NW/4 equivalent) to form a 39.80-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing (which presently includes but is not necessarily limited to either the Undesignated Malaga-Delaware Pool or Undesignated North Malaga-Delaware Pool). Said units are to be dedicated to a single well to be drilled 660 feet from the North line and 1680 feet from the West line (Unit L) of said Section 1, which is a standard location for zones spaced on 160 or 40

- (g) CONTRACT the Comanche Springs-PrePermian Gas Pool in Chaves County, New Mexico, by the deletion of the following described acreage:  
TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM  
Section 36: W/2
- (h) EXTEND the South Carlsbad-Strawn Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 32: All  
Section 33: S/2
- (i) EXTEND the Comanche Springs-PrePermian Gas Pool in Chaves County, New Mexico, to include therein:  
TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM  
Section 25: S/2
- (j) EXTEND the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM  
Section 24: W/2  
TOWNSHIP 20, SOUTH, RANGE 24 EAST, NMPM  
Section 1: SW/4  
Section 2: N/2
- (k) EXTEND the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 11: S/2  
Section 14: All
- (l) EXTEND the Diamond Mound-Morrow Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 6: E/2
- (m) EXTEND the Grayburg-Morrow Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 14: W/2
- (n) EXTEND the La Huerta-Delaware Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 9: S/2
- (o) EXTEND the East Loving-Delaware Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 14: NW/4
- (p) EXTEND the North Loving-Atoka Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM  
Section 19: E/2  
Section 30: E/2
- (q) EXTEND the South Palma Mesa-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:  
TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM  
Section 26: All
- (r) EXTEND the Parkway-Bone Spring Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 34: NW/4
- (s) EXTEND the Parkway-Delaware Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 26: SW/4
- (t) EXTEND the Salt Draw-Atoka Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM  
Section 28: E/2

- (u) EXTEND the South Sand Dunes-Lower Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM  
Section 15: W/2  
Section 16: E/2
- (v) EXTEND the Shugart Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 7: SE/4
- (w) EXTEND the North Shugart-Bone Spring Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM  
Section 18: NE/4
- (x) EXTEND the Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 11: SW/4
- (y) EXTEND the Winchester-Bone Spring Pool in Eddy County, New Mexico, to include therein:  
TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 32: W/2

NOTICE

NOTICE

NOTICE

*Comments in Case 9018 scheduled to be heard before the Oil Conservation Commission on May 24, 1990, will be accepted by the Commission until the time of the hearing. Testimony and oral or written comments may be presented at the hearing. Said case 9018 concerns the amendment of Rule 11(b) of Order No. R-8170-A relating to overproduction limits.*