

CASE 10066: (Continued from October 31, 1990, Examiner Hearing.)

Application of Matador Petroleum Corporation 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 or to a depth of 13,600 feet, whichever is deeper, underlying the following described acreage in Section 5, Township 20 South, Range 34 East, and in the following manner: Lots 3 and 4, the S/2 NW/4, and SW/4 (W/2 equivalent) to form a standard 320-acre, more or less, 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 the Undesignated Quail Ridge-Morrow Gas Pool); Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) to form a standard 160-acre, more or less, gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the SW/4 NW/4 to form 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 but is not necessarily limited to the Undesignated South Quail Ridge-Bone Spring Pool). Said units are to be dedicated to a single 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 underlies the area underneath Mile Marker No. 77 on U.S. Highway 62/180.

CASE 10151: Application of Hal J. Rasmussen Operating, Inc. to amend Division Order No. R-9073, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Paragraph No. (7) in Exhibit "A" of Division Order No. R-9073 by the deletion of 40 acres comprising the SE/4 SW/4 (Unit N) of Section 9 from the existing 440-acre non-standard gas spacing and proration unit, thereby resulting in the formation of a 400-acre non-standard gas spacing and proration unit comprising the SW/4 of Section 4 and the N/2 NW/4, SW/4 NW/4, N/2 SW/4, and SW/4 SW/4 of Section 9, all in Township 23 South, Range 36 East, Jalmat Gas Pool. Said unit is located approximately 10 miles southwest of Eunice, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 10152: Application of Nearburg Producing Company 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 in the Undesignated North Osudo-Morrow Gas Pool, underlying all of Section 30, Township 19 South, Range 36 East, forming a non-standard 631.76-acre gas spacing and proration unit for said pool, said unit 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 the drilling of said well. Said unit is located approximately 5 miles south-southwest of Arkansas Junction, New Mexico.

CASE 10153: Application of Chevron U.S.A. Inc. to reinstate Order No. R-4224 and for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to reinstate Division Order No. R-4224 which authorized a 320-acre non-standard Eumont gas spacing and proration unit comprising the S/2 N/2 and N/2 S/2 of Section 29, Township 20 South, Range 37 East and had dedicated thereto its A.B. Reeves Wells Nos. 1 and 2 located in Units L and E, respectively. Applicant further seeks to simultaneously dedicate Eumont Gas Pool production from its A.B. Reeves Well No. 3 located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 29 with production from both the A.B. Reeves Wells Nos. 1 and 2 to said unit. Also, the applicant requests that previous Division Administrative Orders NSP-1408 and 1473(SD) be rescinded at this time. Said unit is located approximately 3 miles north by west of Oil Center, New Mexico.

CASE 10154: Application of Greenhill Petroleum Corporation for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Lovington San Andres Unit Waterflood Project, Lovington-San Andres Pool, located in Townships 16 and 17 South, Ranges 36 and 37 East, by converting 18 producing wells into water injection wells. Said project area is located approximately 6 miles south-southeast of Lovington, New Mexico.

CASE 10155: Application of Union Oil Company of California for determination of permanent allocation of downhole commingled production and for the amendment of Division Order No. R-6375, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6375, as amended, by determining the proper permanent allocation of production from the Basin-Dakota and Largo-Gallup Pools for its Rincon Unit Well No. 164 located 1840 feet from the South line and 1090 feet from the West line (Unit L) of Section 2, Township 26 North, Range 7 West, which is approximately 21.25 miles southeast of Blanco, New Mexico.

CASE 10156: Application of ARCO Oil and Gas 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 Ellenburger formation, underlying the S/2 of Section 32, Township 20 South, Range 37 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit 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 the drilling of said well. Said unit is located approximately 2 miles north-northwest of Oil Center, New Mexico.

CASE 10116: (Continued from October 31, 1990, Examiner Hearing.)

Application of BTA Oil Producers for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to directionally drill its proposed Pardue "C", 8808 JV-P Well No. 1-Y from a surface location 611 feet from the South line and 1504 feet from the West line (Unit N) of Section 11, Township 23 South, Range 28 East, to a standard bottomhole oil well location in the Undesignated East Loving-Delaware Pool. Said well is to be dedicated to the 40-acre oil spacing and proration unit comprising the SE/4 SW/4 of said Section 11, which is located approximately 1/4 mile southwest of the Harroun Dam.

- CASE 10157: Application of Grand Production 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 Atoka Formation underlying the E/2 SE/4 of Section 10, 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 within said vertical extent, which includes, but is not necessarily limited to the Humble City-Strawn and Undesignated Humble City-Atoka Pools. 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 the drilling of said well. Said unit is located approximately 3.5 miles north by west of Humble City, New Mexico.
- CASE 10158: Application of Morgan Richardson Operating Company 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 the N/2 of Section 17, Township 28 North, Range 8 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 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 the drilling of said well. Said unit is located approximately 8 miles east-southeast of Blanco, New Mexico.
- CASE 10159: Application of Morgan Richardson Operating Company 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 the S/2 of Section 17, Township 28 North, Range 8 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 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 the drilling of said well. Said unit is located approximately 8 miles southeast by south of Blanco, New Mexico.
- CASE 10160: (This case will be dismissed.)
- Application of Bannon Energy Inc. for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Federal 31 Well No. 4 to be drilled 1285 feet from the North line and 129 feet from the East line (Unit A) of Section 31, Township 24 North, Range 7 West, the NE/4 NE/4 of said Section 31 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is located approximately 7.5 miles east of Nageezi, New Mexico.
- CASE 10127: (Readvertised) (Continued from October 31, 1990, Examiner Hearing.)
- Application of Samuel Gary Jr. & Associates, Inc. for a non-standard oil proration unit, horizontal directional drilling project, and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in Lots 2 and 3, S/2 NW/4, and SW/4 (W/2 equivalent) of Section 6, Township 20 North, Range 2 West, forming a non-standard 297.79-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA Johnson "6" Well No. 14 to be located on the surface 500 feet from the South line and 2100 feet from the West line (Unit N) of said Section 6, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. 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 said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit. Said project area is located approximately 7.5 miles west by south of Cuba, New Mexico.
- CASE 10128: (Readvertised) (Continued from October 31, 1990, Examiner Hearing.)
- Application of Samuel Gary Jr. and Associates, Inc. for a horizontal directional drilling project and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in the W/2 of Section 12, Township 20 North, Range 3 West, forming a standard 320-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "12" Well No. 16 to be located on the surface 1200 feet from the South line and 1800 feet from the West line (Unit N) of said Section 12, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. 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 said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit. Said project area is located approximately 9 miles west-southwest of Cuba, New Mexico.
- CASE 10129: (Readvertised) (Continued from October 31, 1990, Examiner Hearing.)
- Application of Samuel Gary Jr. and Associates, Inc. for a non-standard oil proration unit, horizontal directional drilling project, and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in Section 13, Township 20 North, Range 3 West, forming a non-standard 640-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "13" Well No. 14 to be located on the surface 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 13, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. 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 said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit and for special allowable provisions for the proposed double sized oil proration unit. Said project area is located approximately 9.5 miles west-southwest of Cuba, New Mexico.

CASE 10129: (Readvertised)

Application of Samuel Gary Jr. and Associates, Inc. for a non-standard oil proration unit, horizontal directional drilling project, and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in Section 13, Township 20 North, Range 3 West, forming a non-standard 640-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "13" Well No. 14 to be located on the surface 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 13, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. 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 said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit and for special allowable provisions for the proposed double sized oil proration unit. Said project area is located approximately 9.5 miles west-southwest of Cuba, New Mexico.

CASE 10141: Application of Samuel Gary Jr. and Associates, Inc. for a gas reinjection/pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas reinjection/pressure maintenance project in its San Isidro (Shallow) Unit Area located in Townships 20 and 21 North, Ranges 2 and 3 West, by the injection of gas into the Rio Puerco-Mancos Oil Pool through the open hole interval from approximately 3793 feet to 4188 feet in its San Isidro 11 Well No. 16 located 660 feet from the South line and 630 feet from the East line (Unit P) of Section 11, Township 20 South, Range 3 West. Said project area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 10008: (Continued from October 3, 1990, Examiner Hearing.)

Application of Doyle Hartman for a non-standard gas proration unit, compulsory pooling, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying Lots 3 and 4, the SE/4 NW/4, and the E/2 SW/4 of Section 6, Township 24 South, Range 37 East, forming a 197.75-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the North line and 924 feet from the West line (Unit D) of said Section 6. 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 10 miles north-northeast of Jal, New Mexico.

CASE 9998: (Reopened)

In the matter of Case 9998 being reopened pursuant to the provisions of Division Order No. R-9093-B, which order temporarily denied the application of Yates Energy Corporation to amend Division Order No. R-9093 by expanding the pooled interval from the surface to the base of the Undesignated Tamano-Bone Spring Pool in Eddy County, New Mexico. Said Case 9998 is being reopened to allow the Division to consider additional evidence regarding conductance of negotiations, the proportionate share of well costs which are allocated to the San Andres completion, and the assignment of a risk penalty which is fair to both parties involved.

CASE 9362: (Reopened)

In the matter of Case 9362 being reopened pursuant to the provisions of Division Order No. R-7588-B, which order expanded the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool in San Juan County. Operators in said pool may appear and show cause why the temporary extension of the Cedar Hill-Fruitland Basal Coal Pool should not be rescinded.

CASE 9420: (Reopened)

In the matter of Case 9420 being reopened pursuant to the provisions of Division Order No. R-8768, which order created the Basin-Fruitland Coal Gas Pool in San Juan County and promulgated temporary special rules and regulations therefor. Operators in said pool may appear and present evidence and testimony relative to the determination of permanent rules and regulations for the Basin-Fruitland Coal Gas Pool.

CASE 10133: (Continued from October 17, 1990, Examiner Hearing.)

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 a gas pool for Atoka production and designated as the South Cotton Draw-Atoka Gas Pool. The discovery well is Texaco, Inc. Cotton Draw Unit #67 located in Unit L of Section 35, Township 24 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 35: W/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Fadeaway Ridge-Delaware Pool. The discovery well is Chevron USA, Pacheco Fed. #1 located in Unit J of Section 31, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 31: SE/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Jennings Springs-Wolfcamp Gas Pool. The discovery well is Amoco Production Co., Hondo Fed Gas Com. #1 located in Unit J of Section 27, Township 27 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 27: E/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Livingston Ridge-Bone Spring Pool. The discovery well is Union Oil of California, Medano State #1 located in Unit K of Section 36, Township 22 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM
Section 36: SW/4

- (e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Rock Spur-Bone Spring Pool. The discovery well is Hallwood Pet. Inc., Craft 25 Com #1 located in Unit B of Section 25, Township 25 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM
Section 25: NE/4

- (f) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Scanlon Draw-Bone Spring Pool. The discovery well is Read & Stevens, Marbob State #1 located in Unit A of Section 19, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 19: NE/4

- (g) EXTEND the Avalon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 28: N/2

- (h) EXTEND the East Burton-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 16: NE/4

- (i) EXTEND the East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 14: E/2
Section 15: All

- (j) EXTEND the South Culebra Bluff-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 28: SE/4

- (k) EXTEND the North Dagger Draw-Upper Penn Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 22: SE/4
Section 27: NE/4
Section 35: All

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 10: NE/4
Section 12: NW/4

- (l) EXTEND the South Dagger Draw-Upper Penn Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 15: All

- (m) EXTEND the Dark Canyon-Penn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 32: N/2

- (n) EXTEND the Foor Ranch-Pre Permian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 27: S/2
Section 28: S/2

CASE 10128: (Continued from November 28, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. & Associates, Inc. for a horizontal directional drilling project and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in the W/2 of Section 12, Township 20 North, Range 3 West, forming a standard 320-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "12" Well No. 16 to be located on the surface 1200 feet from the South line and 1800 feet from the West line (Unit N) of said Section 12, drill vertically and kick-off in a northwesterly direction build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. 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 said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit. Said project area is located approximately 9 miles west-southwest of Cuba, New Mexico.

~~CASE 10129:~~ (Continued from November 28, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. & Associates, Inc. for a non-standard oil proration unit, horizontal directional drilling project, and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in Section 13, Township 20 North, Range 3 West, forming a non-standard 640-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "13" Well No. 14 to be located on the surface 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 13, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. 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 said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit and for special allowable provisions for the proposed double sized oil proration unit. Said project area is located approximately 9.5 miles west-southwest of Cuba, New Mexico.

CASE 10141: (Continued from November 28, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. & Associates, Inc. for a gas reinjection/pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas reinjection/pressure maintenance project in its San Isidro (Shallow) Unit Area located in Townships 20 and 21 North, Ranges 2 and 3 West, by the injection of gas into the Rio Puerco-Mancos Oil Pool through the open hole interval from approximately 3793 feet to 4188 feet in its San Isidro 11 Well No. 16 located 660 feet from the South line and 630 feet from the East line (Unit P) of Section 11, Township 20 North, Range 3 West. Said project area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 10192: Application of Beach Exploration Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its proposed Red Lake Unit Area (Division Case No. 10193) located in portions of Sections 24, 25, 35, and 36, Township 16 South, Range 28 East and portions of Sections 19 and 30, Township 16 South, Range 29 East, by the injection of water into the East Red Lake-Queen-Grayburg Pool, through 15 certain injection wells to be converted from producing oil wells to injection wells. Said project is located approximately 16 miles east-northeast of Artesia, New Mexico.

CASE 10193: Application of Beach Exploration Inc. for statutory unitization, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the Queen formation, East Red Lake-Queen Grayburg Pool, underlying 1182.17 acres, more or less, of State, Federal and Fee lands comprising portions of Sections 24, 25, 35, and 36, Township 16 South, Range 28 East and portions of Sections 19 and 30, Township 16 South, Range 29 East. Said Unit is to be designated the Red Lake Unit. Among the matters to be considered at the hearing will be necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and changes to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any non-consenting working interest owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said Unit Area is located approximately 16 miles east-northeast of Artesia, New Mexico.

CASE 9529: (Reopened) (Continued from November 28, 1990, Examiner Hearing.)

In the matter of Case 9529 being reopened pursuant to the provisions of Division Order No. R-8806, which order created the North King Camp-Devonian Pool in Chaves County, New Mexico, and promulgated temporary special rules and regulations therefor. Operators in said pool may appear and show cause why the North King Camp-Devonian Pool temporary rules should not be rescinded.

CASE 10127: (This case will be continued to December 19, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. & Associates, Inc. for a non-standard oil proration unit, horizontal directional drilling project, and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in Lots 2 and 3, S/2 NW/4, and SW/4 (W/2 equivalent) of Section 6, Township 20 North, Range 2 West, forming a non-standard 297.79-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA Johnson "6" Well No. 14 to be located on the surface 500 feet from the South line and 2100 feet from the West line (Unit M) of said Section 6, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. 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 said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit. Said project area is located approximately 7.5 miles west by south of Cuba, New Mexico.

CASE 10128: (This case will be continued to December 19, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. and Associates, Inc. for a horizontal directional drilling project and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in the W/2 of Section 12, Township 20 North, Range 3 West, forming a standard 320-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "12" Well No. 16 to be located on the surface 1200 feet from the South line and 1800 feet from the West line (Unit M) of said Section 12, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. 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 said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit. Said project area is located approximately 9 miles west-southwest of Cuba, New Mexico.

CASE 10129: (This case will be continued to December 19, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. and Associates, Inc. for a non-standard oil proration unit, horizontal directional drilling project, and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in Section 13, Township 20 North, Range 3 West, forming a non-standard 640-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "13" Well No. 14 to be located on the surface 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 13, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. 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 said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit and for special allowable provisions for the proposed double sized oil proration unit. Said project area is located approximately 9.5 miles west-southwest of Cuba, New Mexico.

CASE 10141: (This case will be continued to December 19, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. and Associates, Inc. for a gas reinjection/pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas reinjection/ pressure maintenance project in its San Isidro (Shallow) Unit Area located in Townships 20 and 21 North, Ranges 2 and 3 West, by the injection of gas into the Rio Puerco-Mancos Oil Pool through the open hole interval from approximately 3793 feet to 4188 feet in its San Isidro 11 Well No. 16 located 660 feet from the South line and 630 feet from the East line (Unit P) of Section 11, Township 20 South, Range 3 West. Said project area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 9529: (Reopened)

In the matter of Case 9529 being reopened pursuant to the provisions of Division Order No. R-8806, which order created the North King Camp-Devonian Pool in Chaves County, New Mexico, and promulgated temporary special rules and regulations therefor. Operators in said pool may appear and show cause why the North King Camp-Devonian Pool temporary rules should not be rescinded.

CASE 10008: (Continued from November 14, 1990, Examiner Hearing.)

Application of Doyle Hartman for a non-standard gas proration unit, compulsory pooling, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying Lots 3 and 4, the SE/4 NW/4, and the E/2 SW/4 of Section 6, Township 24 South, Range 37 East, forming a 197.75-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the North line and 924 feet from the West line (Unit D) of said Section 6. 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 10 miles north-northeast of Jal, New Mexico.

- CASE 10171: Application of Meridian Oil Inc. 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 the W/2 of Section 25, Township 27 North, Range 10 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said Section 25. 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 the drilling of said well. Said unit is located approximately 1/2 mile east of the BLM Angel Peak Recreational Area Campground.
- CASE 10172: Application of Meridian Oil Inc. 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 through 4 and the W/2 E/2 (E/2 equivalent) of Section 25, Township 27 North, Range 10 West, forming a standard 302.16-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 equivalent of said Section 25. 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 the drilling of said well. Said unit is located approximately 1 mile east of the BLM Angel Peak Recreational Area Campground.
- CASE 10173: Application of Meridian Oil Inc. 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 the E/2 of Section 28, Township 27 North, Range 10 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 28. 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 the drilling of said well. Said unit is located approximately 2 miles west of the BLM Angel Peak Recreational Area Campground.
- CASE 10158: (Continued from November 14, 1990, Examiner Hearing.)
Application of Morgan Richardson Operating Company 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 the N/2 of Section 17, Township 28 North, Range 8 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 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 the drilling of said well. Said unit is located approximately 8 miles east-southeast of Blanco, New Mexico.
- CASE 10159: (Continued from November 14, 1990, Examiner Hearing.)
Application of Morgan Richardson Operating Company 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 the S/2 of Section 17, Township 28 North, Range 8 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 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 the drilling of said well. Said unit is located approximately 8 miles southeast by south of Blanco, New Mexico.
- CASE 10134: (Continued from November 14, 1990, Examiner Hearing.)
Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Red Hat State Unit Agreement for an area comprising 1981.32 acres, more or less, of State lands in all or portions of Sections 2, 3, and 11, Township 16 South, Range 33 East, which is located approximately 10 miles northeast of Maljamar, New Mexico.
- CASE 10174: Application of Maralex Resources, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Oxnard W. N. Federal Well No. 9 to be drilled 622 feet from the South line and 1545 feet from the West line (Unit N) of Section 13, Township 27 North, Range 8 West, Basin-Fruitland Coal Gas Pool, the W/2 of said Section 13 to be dedicated forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 15 miles southeast of Blanco, New Mexico.
- CASE 10175: Application of Maralex Resources, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Hammond W. N. Federal Well No. 11 to be drilled 205 feet from the North line and 130 feet from the East line (Unit A) of Section 34, Township 27 North, Range 8 West, Basin-Fruitland Coal Gas Pool, the E/2 of said Section 34 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 7 miles east of Huerfano Peak.