

Examiner Hearing - Wednesday - August 31, 1988

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 3/4 mile north of where the Pecos River crosses the Texas/New Mexico Stateline.

CASE 9353: (Continued from July 20, 1988, Examiner Hearing.)

Application of Read & Stevens, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 19, Township 19 South, Range 29 East, Undesignated Turkey Track-Morrow Gas Pool or Undesignated West Parkway-Morrow Gas Pool, the E/2 of said Section 19 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for either pool. Said location is approximately 7.5 miles southeast by east of the old Illinois Camp.

CASE 9433: (Continued from August 17, 1988, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L. P. 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 Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 14, Township 18 South, Range 32 East, forming a standard statewide 40-acre oil spacing and proration unit, 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 south by east of Maljamar, New Mexico.

CASE 9471: Application of Conoco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Hardy-Blinebry and Hardy Tubb-Drinkard Pools within the wellbore of its State F-1 Well No. 9, located 330 feet from the South and West lines (Unit U) of Section 1, Township 21 South, Range 36 East. Said well is located approximately 2.25 miles east of Oil Center, New Mexico.

CASE 9472: Application of Terra Resources, Inc. 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 top of the Wolfcamp to either the base of the Morrow formation or to a depth of 9300 feet, whichever is deeper, (which includes but is not necessarily limited to the Undesignated Dayton-Wolfcamp Gas Pool, Undesignated Boyd-Morrow Gas Pool, and Undesignated Atoka-Pennsylvanian Gas Pool) underlying Lots 1 through 4 and the E/2 W/2 of Section 31, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, forming a standard 316-acre, more or less, gas spacing and proration unit, to be dedicated to a well to be drilled at an unorthodox gas well location 1650 feet from the North line and 1516 feet from the West line (Unit F) of said Section 31. 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 the applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 6 miles northwest by north of Lakewood, New Mexico.

CASE 9423: (Readvertised)

Application of Meridian Oil Company for central-point gas measurement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to install a central meter run at the end of El Paso Natural Gas Company's pipeline laterals 2C-18 and 2C-151, which are looped together, thereby allowing 26 South Blanco Pictured Cliffs producing wells in the Lindrith Unit to be commingled on the surface and their combined volumes to be metered at one point. Said metering location is to be in the NW/4 of Section 13, Township 24 North, Range 3 West, being approximately 4 miles west of Lindrith, New Mexico.

CASE 9448: (Continued from August 3, 1988, Examiner Hearing.)

Application of Meridian Oil Inc. for El Paso Natural Gas Company for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1940 feet from the North line and 1325 feet from the East line (Unit G) of Section 15, Township 30 North, Range 7 West, to test the Fruitland formation, the NE/4 of said Section 15 to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said formation. This location is approximately 3.375 miles N 73° E of the Navajo Reservoir Dam.

CASE 9473: Application of Meridian Oil, Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 100.25-acre, more or less, non-standard gas spacing and proration unit for production from the Undesignated Blanco-Fruitland Pool comprising Lots 6 and 7 and the E/2 SW/4 of Section 6, Township 30 North, Range 9 West. Said unit is to be dedicated to a well to be drilled at a standard gas well location 1890 feet from the South line and 1043 feet from the West line (Unit K) of said Section 6, which is located approximately 9 miles east of Aztec, New Mexico.

Dockets Nos. 27-88 and 28-88 are tentatively set for September 14 and September 28, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 31, 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 Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

CASE 9452: (Continued from August 17, 1988, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider establishing 33 non-standard gas proration and spacing units for any and all formations and/or pools developed on 160-acre spacing in Sections 6, 7, 18, 19, 30, and 31, all in Township 29 North, Range 3 West; Sections 6, 7, 18, 19, 30, and 31, all in Township 30 North, Range 3 West; Sections 6, 7, 18, 19, 30, and 31, all in Township 31 North, Range 3 West; and Sections 7, 8, 9, 10, 11, 12, 18, 19, 30, and 31, all in Township 32 North, Range 3 West, Rio Arriba County, New Mexico. Said area of interest extends along the boundary of the Jicarilla Apache Indian Reservation and the Carson National Forest from the Colorado/New Mexico Stateline south for 22.5 miles.

CASE 9455: (Continued from August 17, 1988, Examiner Hearing.)

Application of TXO Production Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1310 feet from the South line and 660 feet from the East line (Unit P) of Section 13, Township 17 South, Range 37 East, to test all formations from the surface to the base of the Atoka formation, the E/2 SE/4 of said Section 13 to be dedicated to said well, forming a standard 80-acre oil spacing and proration unit for the Undesignated South Humble City-Strawn and Undesignated Humble City-Atoka Pools or the SE/4 SE/4 of said Section 13 to be dedicated to said well if completed in any other formation and/or pool spaced on 40-acre spacing. Said location is approximately 2.5 miles north-northeast of Humble City, New Mexico.

CASE 9470: Application of TXO Producing Corp. for directional drilling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter the Amoco Production Company Hooper Well No. 1 located 1980 feet from the South line and 610 feet from the West line (Unit L) of Section 2, Township 17 South, Range 38 East, wherein the applicant proposes to deviate from vertical as to penetrate the Strawn and Atoka formations and to bottom said well at a true vertical depth of approximately 11,600 feet and within a 100-foot radius of an unorthodox subsurface oil well location 1131 feet from the South line and 308 feet from the West line of said Section 2, the SW/4 SW/4 (Unit M) of said Section 2 to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. IN THE ALTERNATIVE, should re-entry into the aforementioned well be found impracticable, the applicant seeks to drill a well at an unorthodox location 1131 feet from the South line and 308 feet from the West line of said Section 2, the SW/4 SW/4 (Unit M) of said Section 2 to be dedicated to said well. The proposed unit is located approximately 6.75 miles south of the old Hobbs Army Air Forces Auxiliary Airfield No. 1.

CASE 9456: (Continued from August 17, 1988, Examiner Hearing.)

Application of Foy and Middlebrook for an unorthodox gas well location, dual completion, and salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Culp Ranch Unit Well No. 2 located 330 feet from the North line and 990 feet from the West line (Unit D) of Section 11, Township 12 South, Range 30 East, by disposing of produced salt water down through tubing into the Graham Springs-Devonian Pool in the open hole interval from 10,370 feet to 10,393 feet and producing gas from the Morrow formation up the casing/tubing annulus in said well, which is at an unorthodox gas well location, the N/2 of said Section 11 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said well is located approximately 12.75 miles S 60° W of Caprock, New Mexico.

CASE 9468: (Continued from August 17, 1988, Examiner Hearing.)

Application of Nearburg Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the the above-styled cause, seeks approval for an unorthodox oil well location 400 feet from the North line and 2240 feet from the East line (Unit B) of Section 30, Township 16 South, Range 37 East, to test the Strawn formation, Northeast Lovington-Pennsylvanian Pool, the N/2 NE/4 of said Section 30 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said formation. Said location is approximately 4.5 miles southeast of Lovington, New Mexico.

CASE 9458: (Continued from August 17, 1988, Examiner Hearing.)

Application of Mallon Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bell Canyon, Cherry Canyon, and Brushy Canyon formations (Delaware Mountain Group) underlying the NW/4 SW/4 (Unit L) of Section 27, Township 26 South, Range 29 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered