

Dockets Nos. 29-88 and 30-88 are tentatively set for September 28 and October 12, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 14, 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 October, 1988, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for October, 1988, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9477: Application of Murphy Operating Corporation for a unit agreement, Chaves and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Haley Chaveroo San Andres Unit Area comprising 1,840.70 acres, more or less, of State lands underlying all of Sections 33 and 34 of Township 7 South, Range 33 East, and portions of Section 3 of Township 8 South, Range 33 East. This area is located on the Chaves and Roosevelt County lines and approximately 13 miles west of Milnesand, New Mexico.

CASE 9478: Application of Murphy Operating Corporation for a waterflood project, Chaves and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its proposed Haley Chaveroo San Andres Unit Area (Division Case No. 9477) located in portions of Townships 7 and 8 South, Range 33 East, by the injection of water into the Chaveroo-San Andres Pool through 23 wells within the Unit Area which is located approximately 13 miles west of Milnesand, New Mexico.

CASE 9479: Application of TXO Production Corp. 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 from the surface to the base of the Atoka formation underlying either the SE/4 SE/4 of Section 13, Township 17 South, Range 37 East, to form a standard 40-acre oil spacing and proration unit for all formations within said vertical limits spaced on statewide 40-acre spacing, or the E/2 SE/4 of said Section 13 to form a standard 80-acre oil spacing and proration unit within the Undesignated South Humble City-Strawn and Undesignated Humble City-Atoka Pools, both aforementioned units to be dedicated to a well to be drilled at an unorthodox oil well location 1310 feet from the South line and 660 feet from the East line (Unit P) of said Section 13 (see Division Case 9455). 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 units are located approximately 3.5 miles north-northeast of Humble City, New Mexico.

CASE 9455: (Continued from August 31, 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 9472: (Readvertised)

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, forming a standard 316-acre, more or less, gas spacing and proration unit, to be dedicated to a well to be drilled 1980 feet from the North line and 1617 feet from the West line (Unit P) of said Section 31, which is unorthodox for the Atoka-Pennsylvanian Gas Pool Rules. 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 6 miles northwest by north of Lakewood, New Mexico.

CASE 9480: 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 Wolfcamp formation underlying the W/2 of Section 11, Township 22 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing (which only includes the Undesignated East Carlsbad-Wolfcamp Gas Pool at this time). Said unit is 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 drilling said well. Said unit is located approximately 3/4 mile east of the Carlsbad Municipal Sewage Disposal Plant.

CASE 9433: (Continued from August 31, 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 9481: Application of Robert N. Enfield for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2310 feet from the South line and 1650 feet from the West line (Unit K) of Section 29, Township 7 South, Range 31 East, Lone Wolf-Devonian Gas Pool, the SW/4 of said Section 29 to be dedicated to the well forming a standard 160-acre gas spacing and proration unit for said pool. Said location is approximately 11.75 miles S8° W of Kenna, New Mexico.

CASE 9482: Application of Robert N. Enfield for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the South line and 660 feet from the West line (Unit M) of Section 20, Township 7 South, Range 31 East, Undesignated Lone Wolf-Devonian Gas Pool, the SW/4 of said Section 20 to be dedicated to the well forming a standard 160-acre gas spacing and proration unit for said pool. Said location is approximately 11 miles S9° W from Kenna, New Mexico.

CASE 9483: Application of Amoco Production Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its South Mattix Unit Well No. 15 located 660 feet from the North and East lines (Unit A) of Section 22, Township 24 South, Range 37 East, Fowler-Upper Silurian Gas Pool, the E/2 of said Section 22, forming a standard 320-acre gas spacing and proration unit for said pool, to be simultaneously dedicated to said well and to its South Mattix Unit Well No. 5 located at a standard gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 22. The subject proration unit is located approximately 1.5 miles north of the old El Paso Natural Gas Company Jal Plant No. 2.

CASE 9484: 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 in the Shipp-Strawn Pool underlying the S/2 NE/4 of Section 2, Township 17 South, Range 37 East, to form 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 in the SE/4 NE/4 (Unit H) 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 4 miles north of Humble City, New Mexico.

CASE 9485: Application of Union Texas Petroleum Company 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 South and West lines (Unit M) of Section 3, Township 24 South, Range 26 East, South Carlsbad-Morrow (Prorated) Gas Pool, Lots 3 and 4, the S/2 NW/4, and the SW/4 of said Section 3 to be dedicated to said well forming a standard 318.16-acre, more or less, gas spacing and proration unit for said pool. The subject unit is located approximately 3 miles northeast of the junction of U.S. Highway 62/180 and New Mexico State Highway No. 396.

STATE OF NEW MEXICO  
ENERGY, MINERALS AND  
NATURAL RESOURCES  
DEPARTMENT  
OIL CONSERVATION  
DIVISION  
SANTA FE, NEW MEXICO

The State of New Mexico by its Oil Conservation Division hereby gives notice pursuant to law and Rule, and regulations of said Division promulgated thereunder of the following public hearing to be held at 10 A. M. on SEPTEMBER 15, 1988, at the Oil Conservation Division Conference Room, State Land Office Building, Santa Fe, New Mexico, before David R. Catanzich, Examiner, or Michael E. Stogner, Attorney Examiner, both duly appointed for said hearing as provided by law.

STATE OF NEW MEXICO TO:  
All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE 9477:  
Application of Murphy Operating Corporation for a unit agreement, Chaves and Roosevelt Counties, New Mexico.

Applicant, in the above-styled cause, seeks approval of the Haley Chaverro San Andres Unit Area comprising 1,840.70 acres, more or less, of State lands underlying all of Sections 33 and 34 of Township 7 South, Range 33 East, and portions of Section 3 of Township 8 South, Range 33 East. This area is located on the Chaves and Roosevelt County lines and approximately 13 miles west of Mthesand, New Mexico.

CASE 9478:  
Application of Murphy Operating Corporation for a waterflood project, Chaves and Roosevelt Counties, New Mexico.

Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its proposed Haley Chaverro San Andres Unit Area (Division Case No. 9477) located in portions of Townships 7 and 8 South, Range 33 East, by the injection of water into the Chaverro-San Andres Pool through 23 wells within the Unit Area which is located approximately 13 miles west of Mthesand, New Mexico.

CASE 9479:  
Application of TXO Production

MURPHY OPERATING CORPORATION  
PROPOSED HALEY CHAVERRO SAN ANDRES UNIT  
CHAVES AND ROOSEVELT COUNTIES, NEW MEXICO

- File Folder 1. - Application for Unit Approval.
- File Folder 2. - Supplemental Data to Form C-108. (Exhibits III. through XIII.)
- File Folder 3. - Supplemental Data to Form C-108. (Exhibit VIII.)
- File Folder 4. - Plan of Operation 1988-1989.