

Dockets Nos. 36-88 and 37-88 are tentatively set for December 7 and December 21, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 22, 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 9413: (Continued from October 26, 1988, Examiner Hearing.)

Application of Yates Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Avalon-Delaware Pool located in portions of Township 20 South, Ranges 27 and 28 East, including a provision to increase the gas-oil ratio limitation to 5,000 cubic feet of gas per barrel of oil. Said area is located approximately 9 miles north of Carlsbad, New Mexico.

CASE 9528: 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 Morrow formation underlying the following described acreage in Section 17, Township 23 South, Range 31 East, and in the following described manner:

the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools (Undesignated Los Medanos-Morrow Gas and Undesignated West Sand Dunes-Atoka Gas Pools) developed on 320-acre spacing;

the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing; and,

the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools (Undesignated James Ranch-Bone Spring Pool) developed on statewide 40-acre spacing.

All of the above-described units are to be dedicated to a single well to be drilled at a standard location in the SW/4 NE/4 (Unit G) 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 drilling said well. Said area is located approximately 1.5 miles south by east of the James Ranch.

CASE 9529: Application of Santa Fe Exploration Company for pool creation, special pool rules, and discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for the Devonian formation comprising the SE/4 of Section 9, Township 14 South, Range 29 East, and the promulgation of temporary special rules therefor including a provision for 160-acre spacing and proration units and designated well location requirements. Applicant further seeks the assignment of an oil discovery allowable, pursuant to General Rule 509, to the Holmstrom Federal Well No. 1 located 1980 feet from the South and East lines (Unit J) of said Section 9 (which is approximately 17 miles east of Haggerman, New Mexico).

CASE 9078: (Reopened)

In the matter of Case No. 9078 being reopened pursuant to the provisions of Division Order No. R-8450, which created the Southwest Osudo-Wolfcamp Pool in Lea County, New Mexico, upon the application of BTA Oil Producers. The applicant shall appear and present evidence as to the exact nature of the reservoir and, more particularly, as to the proper rate of withdrawal from the reservoir if it is indeed determined to be a retrograde gas condensate reservoir.

CASE 9530: Application of Pennzoil Exploration and Production Company 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 the S/2 SW/4 of Section 1, Township 17 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit for any pool developed on 80-acre spacing within said vertical limits (which includes but is not necessarily limited to the Undesignated Humble City-Atoka, Undesignated Humble City-Strawn, Undesignated South Humble City-Strawn, or Undesignated Shipp-Strawn Pools) or the SE/4 SW/4 of said Section 1 to form a standard statewide 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical limits (which includes but is not necessarily limited to the Undesignated West Garrett-Devonian and Undesignated Humble City-Wolfcamp Pools), both aforementioned units to be dedicated to a well to be drilled 900 feet from the South line and 1750 feet from the West line (Unit N) of said Section 1, which is unorthodox for an 80-acre unit. 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 area is located approximately 4.75 miles west by north of Knowles, New Mexico.

CASE 9531: Application of OGS Operating Company, Inc. for compulsory pooling and an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bluit-San Andres Associated Pool, underlying either the W/2 of Section 14, Township 8 South, Range 37 East, to form a standard 320-acre spacing and proration unit for any gas production from said pool, or the N/2 NW/4 of said section to form a standard 80-acre spacing and proration unit for any oil production from said pool. Either unit is to be dedicated to a well to be drilled to the base of said pool at a standard gas well location 990 feet from the North and West lines (Unit D) of said Section 14. However, this location will be an unorthodox oil well location for said pool. 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 area is located approximately 3.25 miles east of Bluit, New Mexico.

CASE 9524: (Readadvertised)

Application of Amerind Oil Company for directional drilling and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its State MTS Well No. 1 located at a standard surface location 1830 feet from the South line and 660 feet from the East line (Unit I) of Section 2, Township 17 South, Range 37 East, wherein the applicant proposes to directionally drill said well to penetrate the Strawn formation, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, at an unorthodox bottomhole location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2. The E/2 SE/4 of said Section 2 is to be dedicated to the subject well. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill the State MTS Well No. 1-A at an unorthodox surface location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2 to test the Strawn formation. This area is located approximately 4 miles North of Humble City, New Mexico.

CASE 9532: 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 from the surface to the base of the Strawn formation underlying the E/2 SE/4 of Section 2, 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 (which includes but is not necessarily limited to the Undesignated Shipp-Strawn Pool and the Undesignated Humble City-Atoka Pool). 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 area is located approximately 4.25 miles north of Humble City, New Mexico.

CASE 9533: Application of Nearburg Producing Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard 40-acre oil spacing and proration unit for production from the Northeast Lovington-Pennsylvanian Pool comprising the SE/4 NW/4 (Unit F) of Section 19, Township 16 South, Range 37 East. Said unit is to be dedicated to a well to be drilled at a standard oil well location 1900 feet from the North line and 2400 feet from the West line of said Section 19, which is located approximately 3 3/4 miles southeast of Lovington, New Mexico.

CASE 9534: Application of Standard Oil 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 Strawn formation underlying the NW/4 NE/4 (Unit B) of Section 8, Township 17 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing and proration units (which includes but is not necessarily limited to the Undesignated West Garrett-Devonian and Undesignated Knowles-Abo 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 drilling said well. Said area is located approximately 2.5 miles north-northeast of Knowles, New Mexico.

CASE 9535: Application of Meridian Oil, Inc. for compulsory pooling, unorthodox gas well location, and non-standard gas proration unit, 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 3 and 4 and the E/2 SW/4 of Section 7 and Lots 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township 30 North, Range 8 West, forming a non-standard 334.94-acre gas spacing and proration unit, to be dedicated to its Howell "C" Com Well No. 301 to be drilled at an unorthodox gas well location in the SE/4 NW/4 (Unit F) of said Section 18. 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 northwest by north of Archuleta, New Mexico.