

CASE 10306: Application of Conoco Inc. for surface commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division (General) Rule 309-A for the surface commingling of North Dagger Draw-Upper Pennsylvanian Pool production from wells on 15 separate leases in an area comprising all of Sections 17 and 18, W 2 of Section 19 and the N/2 and SE/4 of Section 30, all in Township 19 South, Range 25 East, and the S/2 of Section 36, Township 19 South, Range 24 East, which is located approximately 15 miles west of Lakewood, New Mexico.

CASE 10245: (Reopened and Continued from May 2, 1991, Examiner Hearing.)

In the matter of Case 10245 being reopened pursuant to the provisions of Division Order No. R-9467-A, which order stayed Division Order No. R-9467, dated March 15, 1991, which order in turn created, designated and promulgated Special Rules and Regulations for the Warren-Blinebry Tubb Oil and Gas Pool, located in Township 20 South, Range 38 East, Lea County. Said order was a companion case to the Division's approval of Conoco's request for expansion of its Conoco Southland Blinebry Cooperative Waterflood Project in Division Case No. 10220 (Order No. R-6906-B). Further, Division Order No. R-9467 with an effective date of March 1, 1991 also provided for the following:

1. an expansion and contraction to the horizontal limits of the Blinebry Oil and Gas Pool;
2. a contraction to the horizontal limits of the Warren-Tubb Gas Pool; and
3. the creation and designation of the East Warren-Tubb Gas Pool.

CASE 10307: Application of Bird Creek Resources, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the East Loving-Delaware Pool in the perforated interval from approximately 4000 feet to 4450 feet in a well to be drilled 1157 feet from the North line and 491 feet from the East line (Unit A) of Section 5, Township 23 South, Range 28 East. Said location is approximately 2.5 miles northeast of Loving, New Mexico.

CASE 10283: (Continued from May 2, 1991, Examiner Hearing.)

Application of Nearburg Producing Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation, in the open hole interval from approximately 10,300 feet to 10,700 feet in the previously plugged and abandoned Coquina Oil Corporation Aikinan State Well No. 1 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 27, Township 19 South, Range 25 East. Said well is located approximately 5.5 miles west of Lakewood, New Mexico.

CASE 10308: Application of Stevens Operating Corporation for pool creation, special pool rules, and a discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Devonian production comprising the NE/4 of Section 28, Township 13 South, Range 29 East, and the promulgation of special rules therefor including provisions for 160-acre spacing and designated well location requirements whereby wells would be no closer than 330 feet to the outer boundary of a spacing unit. Applicant further seeks the assignment of a discovery allowable for its McClellan Federal Well No. 1 located 2190 feet from the North line and 1990 feet from the East line (Unit H) of said Section 28, as provided by Division (General) Rule 509. Said area is located approximately 17.5 miles east by north of Hagerman, New Mexico.

CASE 10309: Application of Union Oil Company of California d/b/a as UNOCAL for special gas allowables, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-8170, as amended, establishing a special gas allowable rate of 500 MCF of gas per day for three certain wells to be completed in the Blanco-Mesaverde and/or Basin-Dakota Pools in the SE/4 of Section 22 and NW/4 of Section 20, Township 27 North, Range 6 West and in the NW/4 of Section 1, Township 26 North, Range 7 West, all within its Rincon Unit Area, which is located approximately 24 miles southeast by east of Blanco, New Mexico.

CASE 10310: Application of Amoco Production Company for surface commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks exceptions to Division (General) Rules 303.A. and 309.A. for the surface commingling of North Loving-Morrow Gas Pool production from its Brantley Gas Com Well No. 1 located in Unit K of Section 22, Township 23 South, Range 28 East with East Loving-Delaware Pool production from wells on its Brantley and McClary Leases and its Jasso Unit, all in the S/2 of said Section 22, which is located approximately 1 mile east of Loving, New Mexico.

Dockets Nos. 15-91 and 16-91 are tentatively set for May 30, 1991 and June 13, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - MAY 16, 1991

**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 Jim Morrow, or Michael E. Stogner, Alternate Examiners:

CASE 10293: (Continued from May 2, 1991, Examiner Hearing.)

Application of Yates Energy Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Scratchy Ranch State Exploratory Unit Agreement for an area comprising 5,120.00 acres, more or less, of State lands in Township 15 South, Range 32 East, which is located approximately 11 miles north-northeast of Maljamar, New Mexico.

CASE 10294: (Continued from May 2, 1991, Examiner Hearing.)

Application of Yates Energy Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Eidson Ranch Exploratory Unit Agreement for an area comprising 2990.08 acres, more or less, of State, Federal, and Fee lands in Township 16 South, Range 33 East, which is located approximately 8 miles northeast by north of Maljamar, New Mexico.

CASE 10304: Application of Cibola Energy Corporation for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Tularosa Unit Agreement for an area comprising 18,290.61 acres, more or less, of State and Federal lands in Townships 13 and 14 South, Ranges 10 and 11 East, which is approximately 5 to 13 miles west of Mescalero, New Mexico.

CASE 10280: (Continued from May 2, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10263: (Continued from May 2, 1991, Examiner Hearing.)

Application of Giant Exploration & Production 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 E/2 of Section 30, Township 25 North, Range 12 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 30. 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 9 miles southwest by west of the B.I.A. Huerfano Community School.

CASE 10305: Application of LBO New Mexico, Inc. for 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 from the surface to the base of the Mississippian formation or to a depth of 11,200 feet, whichever is deeper, underlying the following described acreage in Section 9, Township 11 South, Range 33 East, and in the following manner: the S/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, possibly the SW/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the N/2 SW/4 forming a standard 80-acre oil spacing and proration unit in the North Bagley-Permo Pennsylvanian Pool; and the NW/4 SW/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing. Said units are to be dedicated to a single well to be drilled 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 9 being a standard well location for 40, 80, and 160-acre spacing units but an unorthodox gas well location for a 320-acre spacing 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 unit is located approximately 5 miles east by south of Caprock, New Mexico.

CASE 10302: (Continued from May 2, 1991, Examiner Hearing.)

Application of American Hunter Exploration, Ltd. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project within a standard 645.28-acre oil spacing and proration unit in the West Puerto Chiquito-Mancos Oil Pool comprising all of Section 2, Township 27 North, Range 1 West. The applicant proposes to commence its Jicarilla 2A Well No. 1 to be located at an unorthodox oil well location 600 feet from the North line and 1150 feet from the East line (Unit A) of said Section 2, drill vertically to a depth of approximately 4550 feet, evaluate the pay zone, plug back to an appropriate depth and kick-off in a westerly direction, build angle to approximately 80 degrees, and continue to drill a high angle hole in the Mancos formation for approximately 2000 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 said wellbore to a target window described as a rectangle 330 to 2100 feet from the North line and 1150 to 3650 feet from the East line of said Section 2. Said unit is located approximately 24 miles south by east of Dulce, New Mexico.

CASE 10309: (Readvertised)

Application of Union Oil Company of California, d/b/a UNOCAL for special gas allowables, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-8170, as amended, establishing a special gas allowable rate of 500 MCF of gas per day from the Basin-Dakota Pool and 500 MCF of gas per day from the Blanco-Mesa Verde Pool for three certain wells in the SE/4 of Section 22 and NW/4 of Section 20, Township 27 North, Range 6 West and in the NW/4 of Section 1, Township 26 North, Range 7 West, all within its Rincon Unit Area, which is located approximately 24 miles southeast by east of Blanco, New Mexico.

CASE 10313: (Continued from May 16, 1991, Examiner Hearing.)

Application of BWA Oil and Gas for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pitchfork Ranch-Strawn Pool underlying the SW/4 NE/4 (Unit G) of Section 34, Township 24 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for said pool, said unit to be dedicated to its existing Moore "34" Com Well No. 1 located 1980 feet from the North and East lines of said Section 34, which was plugged and abandoned in January 1988 and was re-entered on March 30, 1990. Also to be considered will be the cost of re-entering and recompleting 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 re-entering and recompletion of said well. Said unit is located approximately 16 miles west by north of Jal, New Mexico.

CASE 10318: In the matter of the hearing called by the Oil Conservation Division on its own motion for extending certain existing pools in San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico.

- (a) EXTEND the Bisti Lower-Gallup Oil Pool in San Juan, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 11 WEST, NMPM
Section 5: N/2 NE/4

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 34: NE/4

TOWNSHIP 25 NORTH, RANGE 13 WEST, NMPM
Section 1: SW/4
Section 2: SE/4
Section 11: NE/4
Section 12: NW/4

TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM
Section 29: SE/4, S/2 SW/4
Section 30: S/2
Section 31: NE/4
Section 32: N/2

CASE 10285: (Continued from May 2, 1991, Examiner Hearing.)

Application of American Hunter Exploration, Ltd. for a high angle/ horizontal/directional drilling pilot project, special operating rules therefor, and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the formation of a 640-acre non-standard oil spacing and proration unit in the East Puerto Chiquito-Mancos Oil Pool comprising all of Section 8, Township 27 North, Range 1 East, for the purpose of initiating a high angle/horizontal directional drilling pilot project. The applicant proposes to commence its Jicarilla 8-I Well No. 1 to be located at a standard oil well location 2000 feet from the South line and 500 feet from the East line (Unit D) of said Section 8, drill vertically to a depth of approximately 2300 feet, evaluate the pay zone, plug-back to an appropriate depth and kick-off in a westerly direction, build angle to approximately 80 degrees, and continue to drill a high angle hole in the Mancos formation for approximately 2000 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 said wellbore to a target window described as a rectangle 1250 to 2750 feet from the South line and 500 to 3000 feet from the East line of said Section 8. Also to be considered will be special allowable provisions for a quadruple sized oil proration unit for this pool. Said unit is located approximately 7 miles west by south of El Vado, New Mexico.

CASE 10286: (Continued from May 2, 1991, Examiner Hearing.)

Application of American Hunter Exploration, Ltd. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and two non-standard oil proration units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a high angle/horizontal directional drilling pilot project in Sections 4 and 6, Township 27 North, Range 1 West, forming two non-standard oil spacing and proration units for said pool comprising 651.76 acres and 620.97 acres, respectively. Within each proration unit the applicant proposes to commence from surface unorthodox oil well locations (Section 4: 330 feet from the North and East lines and Section 6: 450 feet from the North line and 400 feet from the East line), drill vertically to a depth of 7500 feet, plug back to an appropriate depth and kick-off in a westerly direction, build angle to approximately 80 degrees, and continue to drill a high angle hole in the Mancos formation for approximately 2000 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 each wellbore in each proration unit to the following described target windows: Section 4: 330 to 1830 feet from the North line and 330 to 2830 feet from the East line; and, Section 6: 330 to 1950 feet from the North line and 400 to 2900 feet from the East line. Said area is located approximately 24 miles south of Dulce, New Mexico.

CASE 10300: (Continued from May 2, 1991, Examiner Hearing.)

Application of American Hunter Exploration, Ltd. for a high angle/horizontal/ directional drilling pilot project, special operating rules therefor, and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the formation of a 640-acre non-standard oil spacing and proration unit in the East Puerto Chiquito-Mancos Oil Pool comprising all of Section 6, Township 27 North, Range 1 East, for the purpose of initiating a high angle/horizontal directional drilling pilot project. The applicant proposes to commence its Jicarilla 6-A Well No. 1 to be located at a standard oil well location 660 feet from the North line and 700 feet from the East line (Unit A) of said Section 6, drill vertically to a depth of approximately 2850 feet, evaluate the pay zone, plug-back to an appropriate depth and kick-off in a westerly direction, build angle to approximately 80 degrees, and continue to drill a high angle hole in the Mancos formation for approximately 2000 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 said wellbore to a target window described as a rectangle 330 to 2160 feet from the North line and 700 to 3200 feet from the East line of said Section 6. Also to be considered will be special allowable provisions for a quadruple sized oil proration unit for this pool. Said unit is located approximately 22.5 miles south of Monero, New Mexico.