

Dockets Nos. 35-91 and 36-91 are tentatively set for December 5, 1991 and December 19, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 21, 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 Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner:

CASE 10401: (Reopened and Readvertised)

Application of Texaco Exploration & Production, Inc. for a secondary recovery project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute either a pressure maintenance or waterflood pilot project, whichever is deemed applicable pursuant to Division General Rule 701, on its New Mexico State "AT" and New Mexico State "AN" Leases comprising the S/2 S/2 of Section 10 and all of Sections 15 and 22, Township 14 South, Range 33 East, by the injection of water into the Saunders-Permo Upper Pennsylvanian Pool through four certain producing wells to be converted to injection. Said project area is located approximately 3 miles north-northwest of Warren Petroleum Company's Saunders Gas Plant.

CASE 10412: Application of MW Petroleum Corporation /Apache Corporation to amend Division Order No. R-9487-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9487-A, dated, which authorized the drilling of a well at an unorthodox gas well location 2049 feet from the North line and 480 feet from the West line (Unit E) of Section 12, Township 22 South, Range 23 East, NMPM, Indian Basin-Upper Pennsylvanian Gas Pool. Applicant specifically seeks to amend the gas allowable acreage factor assigned to the well by said order. All of Section 12 is dedicated to the subject well forming a standard 640-acre gas spacing and proration unit for said pool. Said unit is located approximately 20 miles West of Carlsbad, New Mexico.

CASE 10372: (Continued from October 17, 1991, Examiner Hearing.)

Application of Parker & Parsley Development Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the S/2 equivalent of Section 33, Township 31 North, Range 4 West, forming a standard 320-acre, more or less, spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes only the Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said Section 33. 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 15 miles west-southwest of Dulce, New Mexico.

CASE 10407: (Continued from October 31, 1991, Examiner Hearing.)

Application of Great Lakes Chemical Corporation for an exception to Division Order No. R-333-I and the Reassignment of Retroactive Gas Allowables, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the retroactive reassignment of gas allowables to the following six wells located in Township 27 North, Range 8 West, Blanco-Mesaverde Pool, said allowable for each well to be based on delinquent deliverability tests. The applicant further requests an exception to the provisions of Division Order No. R-333-I whereby each well would be exempt from any late penalties on allowables caused by failure to submit deliverability well test data in a specified time:

- Graham Well No. 1 (Unit A) Section 4
- Graham Well No. 1A (Unit P) Section 4
- Graham Well No. 3 (Unit J) Section 3
- Hammond Well No. 5 (Unit F) Section 35
- Hammond Well No. 55 (Unit B) Section 26
- Hammond Well No. 55 A (Unit D) Section 26

CASE 8352: (Reopened and Readvertised)

In the matter of Case 8352 being reopened pursuant to the provisions of Division Order No. R-7737-A, which order established temporary special pool rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area in Harding County, including a provision for 640-acre spacing units. Because production history from wells in the subject area is still not available and since there is no apparent basis for making any permanent decision on said pool rules at this time, Oxy USA Inc., has further requested, IN THE ABSENCE OF OBJECTION, that the current pool rules, including 640-acre spacing, be continued for a period of two years following the date of first production.

CASE 10391: (Continued from November 7, 1991, Examiner Hearing.)

Application of Bird Creek Resources, Inc. 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 Bone Spring formation or 8300 feet, whichever is deeper, underlying the N/2 NE/4 of Section 21, Township 23 South, Range 28 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent, which presently includes only the Undesignated South Culebra Bluff-Bone Spring Pool. Said unit is to be dedicated to its Barkham Well No. 3 to be drilled at a standard oil well location in the NE/4 NE/4 (Unit A) of said Section 21. 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 0.5 miles northeast of Loving, New Mexico.

CASE 10413: Application of Merrion Oil & Gas Corporation to revise the special rules and regulations for the Snake Eyes-Dakota "D" Gas Pool and for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-4343, which authorized 320-acre spacing units and limited well location requirements in the Snake Eyes-Dakota "D" Gas Pool, by either permitting the drilling of an optional second well on an existing 320-acre spacing unit without notice and hearing, provided that the second well would not be drilled in the quarter section of the unit which does not contain a well OR, IN THE ALTERNATIVE, to reestablish 160-acre spacing in said pool. In either instance the applicant further seeks to allow well locations to be no closer than 330 feet from the outer boundary of a spacing unit nor 330 feet from any quarter/quarter section line or subdivision inner boundary. Said pool is comprised of Sections 17 and 20, Township 21 South, Range 8 West, which is located approximately 15 miles south by east of Nageesi, New Mexico. In conjunction to the proposed rule changes the applicant seeks approval for an unorthodox gas well location for the existing Santa Fe "20" Well No. 3 located 2220 feet from the North line and 990 feet from the East line (Unit H) of said Section 20.

CASE 10370: (Continued from October 31, 1991, Examiner Hearing.)

Application of Coleman Oil and Gas, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Point Lookout interval of the Blanco-Mesaverde Pool in the perforated interval from approximately 4380 feet to 4480 feet in its Sunco Disposal Well No. 1 to be drilled 1595 feet from the North line and 1005 feet from the West line (Unit E) of Section 2, Township 29 North, Range 12 West. Said location is approximately 2.5 miles south by east of Flora Vista, New Mexico.

CASE 10414: 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 Lea and Roosevelt Counties, New Mexico.

- a. CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Crazy Horse-Delaware Pool. The discovery well is the Anadarko Petroleum Corporation Exxon Federal Well No. 1 located in Unit E of Section 19, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 19: NW/4

- b. CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Yates-Seven Rivers production and designated as the Southwest House Yates-Seven Rivers Gas Pool. The discovery well is the Seay Exploration Inc. Corrigan Well No. 1 located in Unit H of Section 14, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 14: NE/4

- c. CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the South Lusk-Bone Spring Pool. The discovery well is the Texaco Exploration & Production Inc. New Mexico CR State Well No. 1 located in Unit D of Section 32, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 32: NW/4