

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
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MEMORANDUM

TO: All Gas Producers
FROM: Michael E. Stogner *M.S.*
SUBJECT: Proposed changes to the Special Rules and Procedures for the Tight
Formation Designations Under Section 107 of the Natural Gas Policy
Act of 1978.
DATE: November 25, 1991

A case has been tentatively set for the January 9, 1992 Examiner Hearing to consider eliminating the required hearing of Tight Formation Designation applications by the NMOCD and adopt a procedure whereby such matters can be reviewed administratively.

After a couple of recent applications for tight formation designations, it was called to our attention that the FERC had experienced a few court challenges and had changed their policies about final authorization on areas where two or more jurisdictional agencies are involved and of expanded jurisdiction of the BLM on Federal and Indian lands. Hopefully an administrative process by the OCD can amend this procedure broad enough to allow each application to be properly filed and reviewed without the redundant questioning and scrutiny of more than one authorizing agency. It would allow the OCD and BLM to work more efficiently with each other on a case by case basis. I would also foresee in those instances where approval by both the BLM and OCD is necessary for the FERC to act on an application, a joint approval might be sent on to Washington instead of possible conflicting recommendations. This would resolve the chance of the FERC returning the filings back to both agencies for conflict resolution, further delaying the process.

Also, such amendment would incorporate any change to this procedure adopted by the FERC in the last ten years.

Dockets Nos. 1-92 and 2-92 are tentatively set for January 9, 1992 and January 23, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 19, 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 10407: (Continued from November 21, 1991, Examiner Hearing. This case will be continued to January 23, 1991.)

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 I) Section 26

(De Novo)
CASE 10417: (~~Continued from December 5, 1991, Examiner Hearing.~~)

Application of Coquina Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 990 feet from the North and East lines (Unit A) of Section 34, Township 19 South, Range 25 East, the N/2 of said Section 34 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for any and all formations from the surface to the base of the Morrow formation spaced on 320 acres, which presently includes but is not necessarily limited to the Undesignated Dagger Draw-Strawn Gas Pool, North Cemetery Atoka Gas Pool and Cemetery-Morrow Gas Pool. *Upon application of Nearburg Producing Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.*

CASE 10424: Application of Citation Oil & Gas Corporation for downhole commingling, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle oil production from the South Hospah Upper Sand Oil Pool and the South Hospah Lower Sand Oil Pool within the wellbores of those wells located in the N/2 and N/2 S/2 of Section 12 and the SE/4 NE/4 and NE/4 SE/4 of Section 11, Township 17 North, Range 9 West. Said area is located 6 miles south of Whitehorse, New Mexico.

CASE 10372: (Continued from November 21, 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 10426: Application of BTA Oil Producers for simultaneous dedication and to amend Division Order No. R-9009, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9009 whereby the Maxus "B" 8026 JV-P Well No. 2 located at a standard gas well location 990 feet from the South line and 1980 feet from the West line (Unit N) of Section 34, Township 22 South, Range 34 East, would be allowed to produce at a restricted flow rate from the Antelope Ridge-Atoka Gas Pool. Further, the applicant seeks an exception to Division General Rule 104.C(2) to allow for the simultaneous dedication of the existing 320-acre gas spacing and proration unit comprising the S/2 of said Section 34 to the No. 2 well and to the Maxus "B" 8026 JV-P Well No. 1 located at a previously approved unorthodox gas well location (Division Order No. R-8331) 660 feet from the South and East lines (Unit P) of said Section 34. Said unit is located approximately 20 miles west southwest of Eunice, New Mexico.

CASE 10427: Application of Mewbourne Oil Company for compulsory pooling, an unorthodox gas well location and non-standard gas proration units, 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 area in Section 6, Township 18 South, Range 28 East, and in the following manner: Lots 3 through 7, SE/4 NW/4 and E/2 SW/4 (W/2 equivalent) forming a non-standard 334.98-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Empire Pennsylvanian Gas Pool and the Undesignated North-Illinois Camp-Morrow Gas Pool and Lots 6 and 7 and the E/2 SW/4 (SW/4 equivalent) forming a non-standard 167.36-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled 990 feet from the South line and 730 feet from the West line (Unit M) of said Section 6 which is a standard location for zones spaced on 160 acres but unorthodox for zones spaced on 320 acres. 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 5 miles north of the Old Illinois Field Camp.

CASE 10415: (Continued from December 5, 1991, Examiner Hearing.)

Application of Samuel Gary, Jr. and Associates for a horizontal directional drilling pilot project, special operating rules therefor, an unorthodox surface oil well location, an exception to the pool's gas/oil ratio limitation factor, simultaneous dedication and possibly a non-standard oil proration unit, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Rio Puerco-Mancos Oil Pool by drilling vertically from an unorthodox surface location 330 feet from the South line and 1650 feet from the West line (Unit N) of Section 4, Township 20 North, Range 2 West, to a depth of approximately 3250 feet, kick-off in a northerly direction, build angle to approximately 83 degrees and then drill horizontally for approximately 3850 feet. The applicant is proposing to establish a window in the W/2 equivalent of said Section 4 whereby a horizontal displacement of said well's producing interval will be no closer than 660 feet from the W/2 outer boundary. Further, the applicant seeks the adoption of special operating provisions within the pilot project area including a special Gas-Oil Ratio of 1000 to 1 and the flexibility to dedicate up to the 597.28 acres comprising all of said Section 4. Also to be included is the simultaneous dedication of the proposed well with the existing Johnson "4" Well No. 14 located 860 feet from the South line and 1650 feet from the West line (Unit N) which has dedicated to it the S/2 of said Section 4. The subject area is located approximately 5.5 miles west-southwest of Cuba, New Mexico.

CASE 10416: (Continued from December 5, 1991, Examiner Hearing.)

Application of Presidio Exploration, Inc. for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 104.C. (2) to allow for the simultaneous dedication of East Burton Flat-Strawn Gas Pool production from the Superior Federal Well No. 9 located at a standard gas well location 1830 feet from the North line and 1980 feet from the East line (Unit G) of Section 1, Township 20 South, Range 29 East, and to a well to be drilled at an unorthodox gas well location 1300 feet from the North and West lines (Unit D) of said Section 1. Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 1 is to be the designated spacing unit for both wells comprising 321.20 acres. Said unit is located 15 miles southeast of Loco Hills, New Mexico.

CASE 10429: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to deepen its existing Albert "AJH" Well No. 1 located 660 feet from the North and East lines (Unit A) of Section 21, Township 20 South, Range 24 East, and complete said well as an unorthodox gas well location in the Foster Ranch-Morrow Gas Pool. The E/2 of said Section 21 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said well is located approximately 10 miles west by south of Seven Rivers, New Mexico.

CASE 10422: (Continued from December 5, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation 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 Canyon formation underlying the SE/4 of Section 8, Township 19 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard location in the NW/4 SE/4 (Unit J) of said Section 8. 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 8.5 miles southwest by west of Dayton, New Mexico.

CASE 10430: Application of Harvey E. Yates 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 Grayburg formation underlying the NW/4 NE/4 (Unit B) of Section 32, Township 18 South, Range 33 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent which presently includes but not necessarily limited to the Undesignated Buffalo-Yates Pool and Undesignated Buffalo-Queen 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 unit is located approximately 9 miles west by south of the Old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 10431: Application of Texaco Exploration and Producing Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the East Weir-Blinbery Pool including a provision for a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil. Said pool is located in portions of Sections 1, 11, 12 and 13, Township 20 South, Range 37 East, which is approximately 5.5 miles southwest-west of Nadine, New Mexico.

CASE 10370: (Continued from November 21, 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.

The above cases will be considered and called on Thursday at which time a recess will be taken and the remaining four cases will be called when the hearing reconvenes at 9:00 A.M. at the Albuquerque District Office of the U. S. Department of the Interior's Bureau of Land Management located in Albuquerque, New Mexico at 435 Montano Road Northeast.

CASE 10425: Application of Conoco, Inc. for designation of a tight formation, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Pictured Cliffs formation underlying portions of Townships 30, 31 and 32 North, Ranges 9 and 10 West, containing 76,800 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area extends south for 12 miles from the Colorado/New Mexico stateline between Mile Corners 261.5 and 252.

CASE 10428: Application of ENRON Oil & Gas Company for designation of a tight formation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Morrow formation underlying portions of Township 24 South, Ranges 33 and 34 East, containing 17,280 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area is located approximately 19 miles west northwest of Jal, New Mexico.

CASE 10420: (Continued from December 5, 1991, Examiner Hearing.)

Application of Union Oil Company of California d/b/a UNOCAL, for designation of a tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Basin-Dakota Pool underlying portions of Townships 26 and 27 North, Ranges 6 and 7 West, containing 20,642.7 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area is located 22 miles southeast by east of Blanco, New Mexico.

CASE 10421: (Continued from December 5, 1991, Examiner Hearing.)

— Application of Union Oil Company of California d/b/a UNOCAL for designation of a tight formation, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Blanco-Mesaverde Pool underlying portions of Townships 26 and 27 North, Ranges 6 and 7 West, containing 20,642.7 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area is located 22 miles southeast by east of Blanco, New Mexico.

Nos. 9-92 and 10-92 are tentatively set for March 19, 1992 and April 2, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 5, 1992

**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:

CASE 10451: (This case will be continued to March 19, 1992.)

Application of Yates Petroleum Corporation for a special poolwide depth bracket oil allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a special depth bracket oil allowable, pursuant to Division (General) Rule 505-D, for the East Lusk-Delaware Pool located in portions of Sections 26 and 35, Township 19 South, Range 32 East, whereby the pool wide allowable would be based on the deeper perforations (rather than the shallowest as provided for in General Rule 505-A) in the wells presently completed in this pool. Said pool area is located approximately 13.5 miles west-southwest of the Hobbs Army Airforce Auxiliary Airfield No. 4.

CASE 10443: (Continued from February 20, 1992, Examiner Hearing.)

Application of Marathon Oil Company to amend Division Order No. R-9503, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Division Order No. R-9503 to authorize an increase of the vertical extension of the injection interval in its McDonald State A/C-1 Well Nos. 30 and 33 located in Units L and I of Section 16, Township 22 South, Range 36 East, McDonald State A/C-1 Lease Waterflood Project, to include the lowermost 100 feet of the Seven Rivers Formation. Said waterflood project is located approximately 7 miles south of Oil Center, New Mexico.

CASE 10452: In the matter of the application of the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves and Lea 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 Northwest Bootleg Ridge-Delaware Pool. The discovery well is the Maralo Inc. Prohibition Federal Unit Well No. 1 located in Unit E of Section 12, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 12: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Upper Pennsylvanian production and designated as the Feather-Upper Pennsylvanian Pool. The discovery well is the Yates Petroleum Corporation Scratchy Ranch State Unit Well No. 1 located in Unit J of Section 14, Township 15 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM

Section 14: SE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Grama Ridge-Delaware Pool. The discovery well is the BTA Oil Producers N. M. BZ State 8817 JV-P Well No. 1 located in Unit N of Section 26, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 26: SW/4

Section 27: SE/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Halfway-Morrow Gas Pool. The discovery well is the Mitchell Energy Corporation Top Hat 26 Federal Well No. 1 located in Unit N of Section 26, Township 20 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 26: S/2

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Northwest Jenkins-Devonian Pool. The discovery well is the Bright & Company Apache Well No. 1 located in Unit E of Section 5, Township 9 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
Section 5: NW/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East Livingston Ridge-Delaware Pool. The discovery well is the Strata Production Company Cercion Federal Well No. 1 located in Unit H of Section 21, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 21: NE/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Blinebry production and designated as the North Teague-Blinebry Gas Pool. The discovery well is the Texaco Exploration & Production Inc. B. F. Harrison B Well No. 5 located in Unit E of Section 9, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 9: NW/4

- (h) EXTEND the Apache Ridge-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 31: NE/4
Section 32: NW/4

- (i) EXTEND the South Brunson Drinkard-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 6: NW/4

- (j) EXTEND the Buffalo-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 29: SE/4

- (k) EXTEND the Buffalo-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 1: NW/4

- (l) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 30 EAST, NMPM
Section 35: NE/4

- (m) EXTEND the South Corbin-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 15: SW/4

- (n) EXTEND the West Corbin-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 14: SE/4
Section 23: N/2

- (o) EXTEND the Southwest Eunice-San Andres Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 5: NE/4
- (p) EXTEND the Featherstone-Bone Spring Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 22: N/2
- (q) EXTEND the Northwest Jenkins-San Andres Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
Section 3: SW/4
- (r) EXTEND the Southeast Lea-Wolfcamp Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 35: NE/4
- (s) EXTEND the Quail Ridge-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 10: W/2
- (t) EXTEND the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 12: SE/4
Section 13: N/2
- (u) EXTEND the Querecho Plains-Lower Bone Spring Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 34: SW/4
- (v) EXTEND the Querecho Plains-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 25: SW/4
Section 26: S/2
- (w) EXTEND the Rhodes Yates-Seven Rivers Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 8: NW/4
- (x) EXTEND the South Shoe Bar-Wolfcamp Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 36: SE/4
- (y) EXTEND the West Teas Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 9: NE/4

- (z) EXTEND the North Young-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 9: S/2

Section 16: NE/4

DOCKET NO. 8-92

DOCKET: COMMISSION HEARING - THURSDAY - MARCH 12, 1992
9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

The Land Commissioner's designee for this hearing will be Gary Carlson)

CASE 9018: (Reopened)

In the matter of Case 9018 being reopened pursuant to the provisions of Division Order No. R-8170-F, which order temporarily amended Rule 11(b) by providing for a 12 times overproduction limit for gas wells in Northwest New Mexico. Said Case 9018 is being reopened to take evidence on the following: (a) whether larger overproduction limits in Northwest New Mexico established by Rule 11(b) as amended by Order Nos. R-8170-A and D is preventing waste and protecting correlative rights, while providing operator flexibility in supplying natural gas to meet interstate and intrastate market demand; (b) the interaction between the changing gas markets, revised proration rules, and Rule 11(b) as amended by Order Nos. R-8170-A and D; and (c) any transition mechanism which should be adopted if the Commission determines that a return to the 6 times overproduced limit is appropriate.

CASE 10395: (De Novo)

Application of Hal J. Rasmussen Operating, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Jalmat Pool in the perforated interval from approximately 3260 feet to 3269 feet in its Mobil State Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 16, Township 23 South, Range 36 East. Said location is approximately 13.5 miles north-northwest of Jal, New Mexico. Upon application of Hal J. Rasmussen Operating, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10417: (De Novo)

Application of Coquina Oil Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 990 feet from the North and East lines (Unit A) of Section 34, Township 19 South, Range 25 East, the N/2 of said Section 34 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for any and all formations from the surface to the base of the Morrow formation spaced on 320 acres, which presently includes but is not necessarily limited to the Undesignated Dagger Draw-Strawn Gas Pool, North Cemetery Atoka Gas Pool and Cemetery-Morrow Gas Pool. Upon application of Nearburg Producing Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.