

(Continued from March 5, 1992, Examiner Hearing.)

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 10446: (Continued from February 20, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. Lot 2 of said Section 2 is to be dedicated to said well forming a 39.81-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

CASE 10447: (Continued from February 20, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SW/4 NE/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

CASE 10448: (Continued from February 20, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the South line and 2310 feet from the West line (Unit N) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SE/4 SW/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for either the Undesignated Lost Tank-Delaware Pool or the Undesignated Livingston Ridge-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

CASE 10449: (Continued from February 20, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 1980 feet from the South line and 2310 feet from the West line (Unit K) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The NE/4 SW/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for either the Undesignated Lost Tank-Delaware Pool or the Undesignated Livingston Ridge-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

Dockets Nos. 10-92 and 11-92 are tentatively set for April 2, 1992 and April 16, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 19, 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 Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner:

CASE 7894: (Continued and Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Petro-Lewis Corporation, Dyna Ray Oil and Gas Company, Inc., Floyd J. Ray and all other interested parties to appear and show cause why the Earnhardt Well No. 1 located in Unit G of Section 35, Township 24 North, Range 1 West, Rio Arriba County, should not be plugged and abandoned in accordance with a Division-approved plugging program. Said Case 7894 was originally called in June of 1983 and continued indefinitely at that time. The subject well has now been plugged and, therefore, this case will be dismissed.

CASE 10445: (Continued from February 20, 1992, Examiner Hearing.)

Application of Western Reserves Oil Company Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Northwest Jenkins-San Andres Pool underlying the NE/4 NE/4 (Unit A) of Section 9, Township 9 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the plugged and abandoned Midwest Oil Corporation James Petroleum "A" Well No. 1 located 660 feet from the North and East lines of said Section 9. 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 re-entering and recompleting said well. Said well is located approximately 7.5 miles west-northwest of Crossroads, New Mexico.

CASE 10453: Application of Yates Petroleum Corporation for a non-standard gas proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause seeks approval to complete its Mojave "AJY" Com. Well No. 1 in the Undesignated Cemetery-Morrow Gas Pool at an unorthodox gas well location 990 feet from the North line and 660 feet from the East line (Unit D) of Irregular Section 35, Township 20 1/2 South, Range 23 East, all of said Section 35 to be dedicated to said well forming a non-standard 334.92-acre gas spacing and proration unit for said pool. Said unit is located approximately 10 miles west-southwest of Seven Rivers, New Mexico.

CASE 10454: Application of Southland Royalty Company for downhole commingling, unorthodox gas well location and to amend Division Administrative Order NWU-56, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas productions from the Fulcher Kutz-Pictured Cliffs Pool and the Basin Fruitland Coal (Gas) Pool within the wellbore of its proposed Cozzens Com Well No. 10 to be drilled at an unorthodox gas well location for both producing horizons 975 feet from the North line and 1785 feet from the West line (Unit C) of Section 19, Township 29 North, Range 11 West. Lots 1 and 2, the NE/4 and E/2 NW/4 (N/2 equivalent) of said Section 19 forming a standard 317.55-acre gas spacing and proration unit for the Basin Fruitland Coal (Gas) Pool is to be dedicated to said well. Further, Division Administrative Order NWU-56, dated May 17, 1955, which authorized a non-standard 160-acre gas spacing and proration unit in the Fulcher Kutz-Pictured Cliffs Pool comprising the W/2 NE/4 and E/2 NW/4 of said Section 19 is to be amended to show that the proposed Well No. 10 is to replace the existing Cozzens Well No. 2 located in Unit B as the unit's only producing well. Said area is located approximately 2 miles west of Bloomfield, New Mexico.

CASE 10455: Application of Southland Royalty Company for an unorthodox gas well location, downhole commingling, and to amend Division Administrative Order NWU-80, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Fulcher Kutz-Pictured Cliffs Pool and the Basin Fruitland Coal (Gas) Pool within the wellbore of its proposed Aztec Well No. 700 to be drilled at an unorthodox well location for both producing horizons 2280 feet from the South line and 1500 feet from the West line (Unit K) of Section 14, Township 28 North, Range 11 West. The S/2 of said Section 14 forming a standard 320-acre gas spacing and proration unit for the Basin Fruitland Coal (Gas) Pool is to be dedicated to said well. Further, Division Administrative Order NWU-80, dated May 20, 1955, which authorized a non-standard 160-acre gas spacing and proration unit in the Fulcher Kutz-Pictured Cliffs Pool comprising the W/2 NW/4 and N/2 SW/4 of said Section 14 is to be amended to show that the proposed Aztec Well No. 700 is to replace the existing Aztec Well No. 3 located in Unit E as the unit's only producing well. Said area is located approximately 4 miles south by east of Bloomfield, New Mexico.

Dockets 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.