

CASE 10839: (Continued from February 17th, 1994, Examiner Hearing.)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico.

Applicant seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 28, Township 18 South, Range 34 East, forming a standard 640-acre gas spacing and proration unit for any Morrow Pools within said vertical extent which presently includes the Undesignated West La Rica-Morrow Gas Pool. Said unit is to be dedicated to its Ekay 28 State Well No. 1, to be drilled at an orthodox location within Unit J, 1980 feet from the South and East lines of said Section 28. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 12 miles southeast of Maljamar, New Mexico.

CASE 10911: (Continued from March 17, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 31, Township 17 South, Range 27 East. Applicant proposes to reenter the Fasken Exxon AOF Federal Com Well No. 1 located at a standard location 1980 feet from the South and East lines of said Section 31 to test any and all formations to the base of the Morrow, Undesignated Red Lake-Pennsylvanian 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 7 miles east-southeast of Artesia, New Mexico.

CASE 10943: (Continued from March 17, 1994, Examiner Hearing.)

Application of Enron Oil & Gas Company for special pool rules, Lea County New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Red Hills-Bone Spring Pool located in Section 13, Township 25 South, Range 33 East, including a provision for 80-acre spacing and proration units and designated well location requirements. Said area is located approximately 5.5 miles south by west of the junction of New Mexico State Highway No. 128 and the Delaware Basin Pool.

CASE 10756: (Reopened)

Application of Hal J. Rasmussen Operating, Inc. for unorthodox locations and simultaneous dedication, Lea County, New Mexico. In the matter of Case No. 10756 being reopened upon application of Hal J. Rasmussen Operating, Inc. for authorization to drill its Sholes A Well No. 9 at an unorthodox location 1300 feet from the South line and 660 feet from the East line and its Sholes A Well No. 10 at an unorthodox location 1300 feet from the North line and 660 feet from the East line of Section 24, Township 25 South, Range 36 East, Jalmat Gas Pool. Applicant further proposes to simultaneously dedicate the production from said wells with the production from wells on existing proration units. Said wells are located approximately 1 mile west of Jal, New Mexico.

CASE 10951: **Application of Seagull Midcon Inc. for an unorthodox oil well location, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 2428 feet from the South line and 1154 feet from the East line (Unit D) of Section 6, Township 13 South, Range 29 East, to test the Devonian formation. The NE/4 SE/4 of said Section 6 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 17 miles east-northeast of Hagerman, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 31, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 11-94 and 12-94 are tentatively set for April 14, 1994 and April 28, 1994. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 10812: (Continued from March 17, 1994, Examiner Hearing.)

Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal Gas Pool, underlying the N/2 of Section 33, Township 26 North, Range 11 West, 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, 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 location thereon in 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 the operator of the well, and a charge for risk involved in drilling said well. Said unit is located near the Huerfano Boarding School.

CASE 10934: (Continued from March 17, 1994, Examiner Hearing.)

Application of Southwest Royalties, Inc. 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 San Andres formation or to a depth of 4900 feet, whichever is deeper, underlying the NE/4 SW/4 of Section 29, Township 18 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6.5 miles southwest by south of Humble City, New Mexico.

CASE 10936: (Continued from March 17, 1994, Examiner Hearing.)

Application of Strata Production Company for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location to be drilled to test the Nash Draw-Brushy Canyon 1230 feet from the North line and 1350 feet from the West line (Unit C) of Section 18, Township 23 South, Range 30 East. The NE/4 NW/4 of said Section 18 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 10 miles west by north of Loving, New Mexico.

CASE 10948: Application of Texaco Exploration and Production Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its W. H. Rhodes "B" Federal (NCT-2) Lease located in the SE/4 of Section 28, Township 26 South, Range 37 East, by the injection of water into the Rhodes Yates-Seven Rivers Pool. Said project area is located approximately 7 miles south by east of Jal, New Mexico.

CASE 10949: Application of Samedan Oil Corporation 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 Undesignated Teague-Ellenburger Pool underlying the NE/4 NW/4 (Unit C) of Section 26, Township 23 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit. Said unit is to be dedicated by a well to be drilled at an unorthodox oil well location 1050 feet from the North line and 1650 feet from the West line of said Section 26. 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 11 miles south by east of Eunice, New Mexico.

CASE 10950: Application of Samedan Oil Corporation for pool reclassification, pool expansion, the promulgation of special pool rules, the further amendment of Division Order No. R-5353, two non-standard gas proration units and two unorthodox gas well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of the Cline-Tubb Pool as an "associated pool" and to adopt the "General Rules and Regulations for Associated Pools in Southeast New Mexico", as promulgated by Division Order No. R-5353, as amended, as the governing procedures for said pool and to include provisions for 40-acre oil and 160-acre gas spacing and proration units. Applicant further requests to extend the horizontal limits of said pool to include the SW/4 of Section 1 and the W/2 of Section 12, both in Township 23 South, Range 37 East. If said pool is reclassified and placed under the "associated pool rules" then the applicant further requests approval for two non-standard 80-acre gas spacing and proration units, being the E/2 NW/4 and the E/2 SW/4 of said Section 12. Further approval for two gas well locations, both considered to be unorthodox, will also be sought: (1) the Sarah "B" Well No. 2 located 2310 feet from the South line and 1653 feet from the West line (Unit K) of said Section 12; and, (2) the Branex Federal Well No. 1 to be drilled 2310 feet from the South line and 660 feet from the West line (Unit L) of said Section 12. Finally, the applicant requests that any order issued in this matter be applied retroactively to the date of first production from said Sarah "B" Well No. 2. This area is approximately 8 miles south by east of Eunice, New Mexico.

CASE 10943: Application of Enron Oil & Gas Company for special pool rules, Lea County New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Red Hills-Bone Spring Pool located in Section 13, Township 25 South, Range 33 East, including a provision for 80-acre spacing and proration units and designated well location requirements. Said area is located approximately 5.5 miles south by west of the junction of New Mexico State Highway No. 128 and the Delaware Basin Pool.

CASE 10944: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described acreage in Section 20, Township 18 South, Range 28 East, and in the following manner: the N/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, which presently includes but is not necessarily limited to the Undesignated North Illinois Camp-Morrow Gas Pool and the NW/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. Said units are to be dedicated to a single well to be drilled at a standard location thereon. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 14 miles west-southwest of Loco Hills, New Mexico.

CASE 10945: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described acreage in Section 21, Township 18 South, Range 28 East, and in the following manner: the W/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, which presently includes but is not necessarily limited to the Undesignated North Illinois Camp-Morrow Gas Pool on the Undesignated North Turkey Track-Morrow Gas Pool; the NW/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; and the SW/4 NW/4 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 is not necessarily limited to the Undesignated Illinois Camp-Bone Spring Pool. Said units are to be dedicated to a single well to be drilled in Unit "E" of said Section 21. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 13 miles west-southwest of Loco Hills, New Mexico.

CASE 10946: Application of Louis Dreyfus Natural Gas Corp. 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 N/2 of Section 21, Township 18 South, Range 28 East, 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, which presently includes but is not necessarily limited to the Undesignated Palmillo Draw-Atoka Gas Pool and the Undesignated North Illinois Camp-Morrow Gas Pool. Said unit is to be dedicated a well to be drilled at a standard gas well location thereon. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 13 miles west-southwest of Loco Hills, New Mexico.

CASE 10958: (Continued from February 17, 1994, Examiner Hearing.)

Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located north of Highway 180 some 4.75 miles northeast of the intersection of Highways 176 and 180 and are approximately 2.75 miles northeast of Laguna Gatuna, New Mexico.

CASE 10947: 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 County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Silurian Devonian production and designated as the Bar U-Devonian Pool. The discovery well is the MW Petroleum Corporation State 10 Well No. 1 located in Unit B of Section 10, Township 9 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 10: NE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Brinninstool-Delaware Pool. The discovery well is the Santa Fe Energy Operating Partners L. P. Tristle Unit Well No. 1 located in Unit C of Section 33, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM

Section 33: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Dios Mano-Delaware Pool. The discovery well is the Harvey E. Yates Company EKay 28 State Well No. 3 located in Unit O of Section 28, Township 18 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 28: SE/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Feather-Morrow Gas Pool. The discovery well is the H. L. Brown Jr. North Feather State Unit Well No. 1 located in Unit H of Section 16, Township 15 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM

Section 16: N/2

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Mesa Verde-Delaware Pool. The discovery well is the Enron Oil & Gas Company Mesa Verde 6 Federal Well No. 2 in Unit J of Section 6, Township 24 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 6: SE/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Saunders-San Andres Pool. The discovery well is the Charles B. Gillespie Jr. State Q Well No. 2 located in Unit K of Section 4, Township 15 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 33 EAST, NMPM

Section 4: SW/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the North Teaque-San Andres Pool. The discovery well is the Texaco Exploration & Production Inc. B. F. Harrison B Well No. 18 located in Unit D 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 Antelope Ridge-Morrow Gas Pool in Lea County, New Mexico to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 2: S/2

- (i) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 17: SE/4

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

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

Section 3: N/2