

CASE 9407: (Continued from July 6, 1988, Examiner Hearing)

Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2310 feet from the South line and 960 feet from the East line (Unit I) of Section 11, Township 22 South, Range 24 East, Undesignated McKittrick Hills-Morrow Gas Pool, the S/2 of said Section 11 to be dedicated to said well. This location is approximately 14.5 miles west of Carlsbad, New Mexico.

CASE 9037: (Reopened)

In the matter of Case 9037 being reopened pursuant to the provisions of Division Order No. R-8364, which promulgated temporary special rules and regulations for the North Air Strip-Bone Spring Pool in portions of Sections 14 and 15, Township 18 South, Range 34 East, Lea County, including a provision for 80-acre spacing units. Operators in the subject pool may appear and show cause why the North Air Strip-Bone Spring Pool should not be developed on standard statewide 40-acre spacing units. Said pool area is located approximately 1.5 miles north of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 9437: Application of W. A. Moncrief, Jr. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to either the base of the Morrow formation or to a depth of 11,200 feet, whichever is deeper, underlying the N/2 of Section 17, Township 24 South, Range 25 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 limits, to be dedicated to a well to be drilled at an unorthodox gas well location 360 feet from the North line and 1980 feet from the West line (Unit L) of said Section 17. 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 location is approximately 4.5 miles northwest of Whites City, New Mexico.

CASE 9438: Application of Terra Resources, Inc. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation or to a depth of 11,500 feet, whichever is deeper, underlying the E/2 of Section 8, Township 21 South, Range 27 East, to form 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 limits, to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the South and East lines (Unit P) 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 location is approximately 5 miles north by east of Carlsbad, New Mexico.

CASE 9439: Application of Union Pacific Resources Company for pool extension and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to extend the horizontal limits of the Vada-Devonian Pool to include the NW/4 of Section 35, Township 10 South, Range 33 East, and for the promulgation of temporary special rules and regulations for said pool including a provision for 80-acre spacing and proration units, designated well locations, and a poolwide exception to Division Rule 111 allowing for directional drilling or well deviations of more than 5 degrees in any 500-foot interval. Said pool area is located approximately 9.75 miles N 82° E of Caprock, New Mexico.

CASE 9440: Application of Union Pacific Resources Company for directional drilling and an unorthodox (subsurface) oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to plug back its State 26 Well No. 2, surface location 1910 feet from the South line and 1980 feet from the East line (Unit J), to 9,900 feet and then commence drilling directionally to penetrate the top of the Undesignated Vada-Devonian Pool at a true vertical depth of approximately 12,900 feet and within a 150-foot radius of an unorthodox subsurface location 1910 feet from the South line and 2580 feet from the East line (Unit J) of Section 26, Township 10 South, Range 33 East, with the N/2 SE/4 of said section being dedicated to said well, forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 10.25 miles N 80° E of Caprock, New Mexico.

CASE 9441: Application of Meridian Oil Inc. to amend Division Order No. R-4208, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-4208 to include the Atoka formation for production from its Leonard State "Com" Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) in the previously approved non-standard 320-acre gas proration and spacing unit for Grayburg-Morrow Gas Pool production and consisting of the NW/4, NW/4 NE/4, N/2 SW/4, and SW/4 SW/4 of Section 22, Township 17 South, Range 29 East. Said well is located approximately 5 miles west of Loco Hills, New Mexico.

CASE 9424: (Continued from July 6, 1988, Examiner Hearing)

Application of Horizon Oil and Gas Company for a non-standard oil proration unit and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an approval to commingle production from the Monument-Paddock, Monument-Blainebry, and Undesignated Monument-Tubb Pools within the wellbore of its Anderson Well No. 1 located at a standard oil well location for said zones 330 feet from the South line and 1980 feet from the East line (Unit O) of Section 8, Township 20 South, Range 37 East. Applicant further seeks approval for a 40-acre non-standard oil spacing and proration unit for the Monument-Tubb Pool production for said well comprising the SW 1/4 SE 1/4 of said Section 8. Said well is located approximately three miles south of Monument, New Mexico.

CASE 9435: Application of Union Oil Company of California d/b/a Unocal for a non-standard gas proration unit and unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location in the Undesignated House Yates-Seven Rivers Gas Pool for a well to be drilled in Lot 1 at a point 600 feet from the North line of Irregular Section 5, Township 20 South, Range 39 East, and 330 feet West of the western boundary of Lot 1 in said Section 5, said well to be dedicated to Lots 1 and 4 of said Section 5 thereby forming a 58.72-acre non-standard gas proration and spacing unit for said pool. Said location is approximately 3.75 miles S 73° E of Nadine, New Mexico.

CASE 9402: (Continued from July 6, 1988, Examiner Hearing)

Application of Union Texas Petroleum Corporation for an infill well finding, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order, pursuant to FERC Rule 271.305 of the Natural Gas Policy Act of 1978 and to Rule 16.A.5 of Division Order No. R-5878-B, as amended, showing that its State Com Well No. 1-A located 1028 feet from the North line and 1120 feet from the East line (Unit A) of Section 16, Township 28 North, Range 9 West, Basin-Dakota Pool, is needed to effectively and efficiently drain the existing 320-acre gas spacing and proration unit comprising the E/2 of said Section 16 which could not otherwise be produced by either the existing well or any other such well which has produced from the Basin-Dakota Pool within said unit. This unit is located approximately 4.75 miles southeast by south of Blanco, New Mexico.

CASE 9427: (Readvertised)

Application of Nearburg Producing Company for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Parino Well No. 2 to be drilled 1500 feet from the South line and 1200 feet from the West line (Unit L) of Section 23, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, the S/2 of said Section 23 to be simultaneously dedicated to said well and to the existing Parino Well No. 1 located at a previously approved unorthodox gas well location (R-7381) 1980 feet from the South and East lines (Unit I) of said Section 23. Said unit is located approximately 4 miles northwest by north of Seven Rivers, New Mexico.

CASE 9436: Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1340 feet from the South line and 660 feet from the West line (Unit L) of Section 8, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, the S/2 of said Section 8 to be dedicated to said well. This location is approximately 8.5 miles west-northwest of Lakewood, New Mexico.

CASE 9425: (Continued from July 6, 1988, Examiner Hearing)

Application of Nearburg Producing Company for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its B & B Well No. 2 to be drilled 660 feet from the South and East lines (Unit P) of Section 22, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, the E/2 of said Section 22 to be simultaneously dedicated to said well and to the existing B & B Well No. 1 located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 22. Said unit is located approximately 4.5 miles northwest by north of Seven Rivers, New Mexico.

CASE 9426: (Continued from July 6, 1988, Examiner Hearing)

Application of Nearburg Producing Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the N/2 of Section 26, Township 19 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at an unorthodox gas well location 990 feet from the North and West lines (Unit D) in 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 5 miles west of Lakewood, New Mexico.

CASE 9035: Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros Dakota Oil Pools underlying the E/2 of Section 20, Township 25 North, Range 2 West, forming a standard 320-acre spacing and proration unit to be dedicated to a well to be drilled at a standard 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.

CASE 9036: Application of Phillips Petroleum Company for a non-standard oil proration unit and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard oil spacing and proration unit comprising the SE/4 SW/4 (Unit N) of Section 4, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, to be dedicated to a well to be drilled at an unorthodox oil well location 330 feet from the South line and 2500 feet from the West line.

CASE 9037: Application of Meridian Oil Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Air Strip-Bone Spring Pool in Township 18 South, Ranges 34 and 35 East, including a provision for 80-acre oil spacing and proration units and designated well locations.

CASE 9038: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending the vertical and horizontal limits of certain pools in Chaves and Lea Counties, New Mexico:

- (a) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production and designated as the Carson-Atoka Gas Pool. The discovery well is the Robert N. Enfield Carson Federal Well No. 1 located in Unit L of Section 3, Township 9 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 31 EAST, NMPM
Section 3: W/2

- (b) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the North Lovington-Atoka Gas Pool. The discovery well is the North American Royalties Inc. Hudgens Well No. 1 located in Unit J of Section 11, Township 16 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 11: S/2

- (c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the West Pitchfork Ranch-Wolfcamp Gas Pool. The discovery well is the HNG Oil Company Madera Ridge 25 Fed Com Well No. 1 located in Unit L of Section 25, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 25: W/2

- (d) EXTEND the Bronco Siluro-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 15: NE/4

- (e) EXTEND the Central Corbin-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 9: SW/4

- (f) EXTEND the South Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM
Section 7: NW/4

- (g) EXTEND the vertical limits of the Lovington-San Andres Pool in Lea County, New Mexico, to include the Grayburg formation and redesignate said pool as the Lovington Grayburg-San Andres Pool.

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 32: NE/4

Dockets Nos. 37-86 and 38-86 are tentatively set for December 3 and December 17, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 19, 1986
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 9030: Application of Jerome P. McHugh for a unit agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Carracas Canyon Unit Area comprising 30,720.31 acres, more or less, of Federal and Fee lands in Townships 31 and 32 North, Ranges 4 and 5 West.

CASE 9020: (Continued from November 5, 1986, Examiner Hearing)

Application of Merrion Oil and Gas Corporation for a unit agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Huffman Ranch Deep Unit Area comprising 2982.4 acres, more or less, of Federal and Patented lands in Townships 25 and 26 North, Range 2 West.

CASE 9040: Application of Hixon Development Company for a non-standard oil proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit comprising the E/2 NW/4 of Section 31, Township 25 North, Range 11 West, Bisti-Lower Gallup Oil Pool, to be dedicated to a well to be drilled at a standard location 990 feet from the North line and 1980 feet from the West line of said Section 31.

CASE 9031: Application of Yates Petroleum Corporation for hardship gas well classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Mescal "SE" Federal Well No. 1 located 660 feet from the North line and 1750 feet from the West line (Unit C) of Section 18, Township 21 South, Range 22 East, Little Box Canyon-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 9032: Application of John L. Cox for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1980 feet from the North and West lines of Section 19, Township 9 South, Range 33 East, Undesignated South Flying "M"-Pennsylvanian Pool, the S/2 NW/4 of said Section 19 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit in said pool.

CASE 9033: Application of Challenger Energy, 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 Upper Delaware formation in the perforated interval from approximately 3321 feet to 3345 feet in its Bedena Federal Well No. 1 located 2055 feet from the South line and 660 feet from the West line (Unit L) of Section 18, Township 26 South, Range 30 East, Undesignated Brushy Draw-Delaware Pool.

CASE 9034: Application of Cities Service Oil and Gas Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its proposed Elkan "A" Well No. 2 to be drilled 2310 feet from the North line and 990 feet from the West line (Unit E) of Section 25, Township 13 South, Range 34 East, Alston Ranch-Upper Pennsylvanian Pool, the S/2 NW/4 of said Section 25 to be dedicated to the well.

CASE 8696: (Reopened)

In the matter of Case 8696 being reopened pursuant to the provisions of Order No. R-8062, which promulgated temporary special rules and regulations for the Shipp-Strawn Pool in Lea County, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 8790: (Reopened)

In the matter of Case 8790 being reopened pursuant to the provisions of Order No. R-8062-A, which, in part, amended the temporary special rules and regulations for the Shipp-Strawn Pool in Lea County, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre spacing units.