

**DOCKET: EXAMINER HEARING - THURSDAY - JUNE 29, 1995**

8:15 A.M. - City Hall, City Commission Hearing Room

300 N. Turner, Hobbs, New Mexico

Dockets Nos 21-95 and 22-95 are tentatively set for July 13, 1995 and July 27, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. Please note, this Examiner Hearing will be held in Hobbs, New Mexico. The following cases will be heard by an Examiner:

**CASE 11275:** (Continued from May 4, 1995, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Sage Oil Company and all other interested parties to appear and show cause why the Gulf State Well No. 1, located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 30, Township 10 South, Range 27 East, Chaves County, New Mexico (which is approximately 1/4 mile south of U. S. Highway No. 380 at mile marker No. 172), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have said well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

**CASE NOS. 10869 and 10881:** Reopened

In the matter of Case Nos. 10869 and 10881 being reopened in accordance with provisions of Division Order No. R-10050, which amended the special pool rules and regulations for the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, providing for a limiting gas-oil ratio of 7,000:1 cubic feet of gas per barrel of oil. Operators in the subject pool may appear and present evidence and testimony regarding the continuation or the adjustment of the 7,000:1 gas-oil ratio limitation within the South Dagger Draw-Upper Pennsylvanian Associated Pool.

**CASE 11292:** (Continued from June 15, 1995, Examiner Hearing.)

Application of Robert L. Bayless 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 NW/4 of Section 18, Township 24 North, Range 6 West, thereby forming a standard 160-acre spacing and proration unit for the Ballard-Pictured Cliffs Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles northwest of Counselor, New Mexico.

**CASE 11313:** Application of Santa Fe Energy Resources, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Falcon Federal Unit Agreement for an area comprising 4,800 acres, more or less, of Federal and State lands in Townships 23 and 24 South, Range 32 East. Said unit area is centered approximately 25 miles east by south of Loving, New Mexico.

**CASE 11314:** Application of Santa Fe Energy Resources, Inc. for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Corral Canyon State Unit Agreement for an area comprising 2,238.88 acres, more or less, of State lands comprising the S/2 of Section 36, Township 24 South, Range 29 East and all of Sections 1, 2, and 12, Township 25 South, Range 29 East. Said unit area is centered approximately 9 miles southeast by east of Malaga, New Mexico.

**CASE 11315:** Application of Mallon Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Mallon "34" Federal Well No. 1 (API No. 30-025-32787) located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 34, Township 19 South, Range 34 East, and utilize said well to dispose of produced salt water into the San Andres formation through the perforated interval from approximately 5947 feet to 6306 feet. Said well is located approximately 1.5 miles east of mile post No. 78 on U. S. Highway 62/180.

**CASE 11316:** Application of Marathon Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its Royal Well No. 1 at an unorthodox oil well location to test the Blinbry formation and Undesignated East Vacuum-Drinkard Pool 2310 feet from the South line and 1310 feet from the East line (Unit I) of Section 33, Township 17 South, Range 35 East. The NE/2 SE/4 of said Section 33 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for both intervals. Said unit is located approximately 3 miles east southeast of Buckeye, New Mexico.

**CASE 11317:** Application of Bonneville Fuels 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 in the South Humble City-Strawn Pool underlying the W/2 SW/4 of Section 13, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at an unorthodox oil well location 710 feet from the South line and 330 feet from the West line (Unit M) of said Section 13. 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 approximately 2.25 miles north of Humble City, New Mexico.

**CASE 11318:** Application of Bahlburg Exploration Inc., for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to drill its Lowe Well No. 2 at an unorthodox oil well location 2540 feet from the South line and 100 feet from the West line (Unit L) of Section 25, Township 13 South, Range 37 East. The NW/4 SW/4 of said Section 25 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Applicant further requests approval of the subject unorthodox location as to the King-Wolfcamp Pool, Undesignated King-Pennsylvanian Pool, and Undesignated King-Devonian Pool. Said unit is located approximately 11.5 miles southeast by east of Tatum, New Mexico.

**CASE 11319:** (This Case will be Continued to July 13, 1995, Examiner Hearing.)

Application of Sullivan and Company "3-D" Program I L.L.C. for directional drilling and an unorthodox bottomhole oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to drill its Lowe "25" Well No. 1 from an unorthodox surface location within the SW/ NW/4 (Unit E) of Section 25, Township 13 South, Range 37 East to an unorthodox bottomhole location within a 50 foot target area of a point 435 feet from the North line and 100 feet from the West line (also in Unit E) of said Section 25. The SW/4 NW/4 of said Section 25 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Applicant further requests approval of the subject unorthodox location as to the King-Wolfcamp Pool, Undesignated King-Pennsylvanian Pool, and Undesignated King-Devonian Pool. Said unit is located approximately 11.5 miles southeast by east of Tatum, New Mexico.

**CASE 11320:** Application of Ernie L. Hegwer Company to suspend injection operations on a portion of the Chevron U. S. A. Inc. Eunice Monument South Unit Waterflood Project, Lea County, New Mexico. Applicant, in the above-styled cause, as owner of a certain lease in Section 35, Township 20 South, Range 37 East and operator of the Bay Federal Well No. 3, located 660 feet from the North and West lines (Unit D) of said Section 35, seeks to suspend injection operations on a portion of the Eunice Monument South Unit Waterflood Project operated by Chevron U. S. A. Inc. and located in Townships 20 and 21 South, Ranges 36 and 37 East, Eunice Monument Grayburg San Andres Pool. The Bay Federal Well No. 3 is located approximately 5 miles northwest by west of Oil Center, New Mexico.

**CASE 11321:** Application of Coastal Management Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location in the Southwest Gladiola-Devonian Pool to be drilled 642 feet from the South line and 2434 feet from the East line (Unit O) of Section 27, Township 12 South, Range 37 East. The W/2 SE/4 of said Section 27 is to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 7.5 miles east by south of Tatum, New Mexico.

**CASE 11283:** (Continued from June 15, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for an amendment to Division Order No. R-9976-A authorizing a location change of a certain unorthodox infill gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9976-A, which order authorized the applicant to infill drill the Pecos Slope-Abo (unprorated) Gas Pool within a portion of Townships 5, 6, and 7 South, Ranges 25 and 26 East, by changing the location approved by said order of its Catterson "SS" Federal Well No. 7, which has already been drilled, to reflect its current position 2310 feet from the South line and 660 feet from the East line (Unit I) of Section 33, Township 7 South, Range 26 East. Said well is located approximately 14 miles west of Elkins, New Mexico.

**CASE 11322:** Application of Yates Petroleum Corporation for underground gas storage, Chaves County, New Mexico. Applicant, in the above styled-cause, seeks approval to re-inject produced San Andres gas into the Undesignated Southeast Acme-San Andres Pool as part of its Trailblazer Gas Storage Project through its existing Trailblazer "ANL" Well No. 2, located 2310 feet from the North line and 330 feet from the East line, in the SE/4 NE/4 (Unit H) of Section 11, Township 8 South, Range 27 East. Said well is located approximately 7 miles southwest by west of Elkins, New Mexico.