

Examiner Hearing - September 4, 1997

Docket No. 27-97

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CASE 11847: **Application of Devon Energy Corporation (Nevada) for lease commingling, Eddy County, New Mexico.** Applicant seeks an exception to Division Rule 309 to permit lease commingling of Red Lake Queen-Grayburg-San Andres Pool production from 14 wells drilled or to be drilled on its Federal Leases NM 033825, NM 025530, NM 29278, LC 055465, and LC 055383-A, covering parts of Sections 4 and 5, Township 18 South, Range 27 East, without separately metering production from each well or lease. Said leases are located approximately 8 miles southeast of Artesia, New Mexico.

CASE 11831: (Continued from August 21, 1997, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from 500 feet beneath the surface to the base of the Morrow formation underlying the following described acreage in Section 4, Township 18 South, Range 28 East, and in the following manner: Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) equivalent to form a standard 320.36-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Empire-Pennsylvanian Gas Pool and the Undesignated North Illinois Camp-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools spaced on 160-acre spacing within said vertical extent; and the N/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any formations and/or pools spaced on 80 acres within said vertical extent, including the Undesignated Travis-Upper Pennsylvanian Pool. Said units are to be dedicated to its Scoggin Draw "4" State Com Well No. 1, located 2310 feet from the South line and 660 feet from the West line (Unit L) of said Section 4. 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 13 miles southeast of Artesia, New Mexico.

CASE 11832: (Continued from August 21, 1997, Examiner Hearing.)

Application of UMC Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Strawn clastics to the base of the Woodford formation underlying the W/2 of Section 10, Township 16 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Townsend-Morrow Gas Pool and the Undesignated North Townsend-Mississippian Gas Pool. Said unit is to be dedicated to its Carlisle State Com Well No. 1, located at an orthodox location in said Section 10. 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 6 miles west-southwest of Lovington, New Mexico.

CASE 11848: **Application of Santa Fe Energy Resources, Inc. for salt water disposal, Eddy County, New Mexico.** Applicant seeks authority to dispose of produced water from the Cisco-Canyon formation (Indian Basin-Upper Pennsylvanian Associated Pool) into the Devonian and Montoya formations in selected intervals from 10,600 feet to 11,400 feet in its Jones Canyon "4" Fed. Well No. 2, located 1505 feet from the South line and 2381 feet from the East line (Unit J) of Section 4, Township 22 South, Range 24 East, while simultaneously producing oil and gas from the well. Said well is located approximately 16 miles west of Carlsbad, New Mexico.

CASE 11849: **Application of Chevron U.S.A. Inc. for an unorthodox gas well location, simultaneous dedication, and to reinstate Division Order No. R-1084-B, Lea County, New Mexico.** Applicant seeks to reinstate Division Order No. R-1084-B, dated May 23, 1991, which authorized a 440-acre non-standard gas spacing and proration unit ("GPU") in the Eumont Gas Pool comprising the SW/4 of Section 1 and the NE/4, N/2 NW/4, and SE/4 NW/4 of Section 12, both in Township 22 South, Range 36 East, which is located approximately 4 miles west-southwest of Eunice, New Mexico. Applicant further seeks approval of an unorthodox Eumont gas well location for said 440-acre GPU of its existing H. T. Mattern (NCT-E) Well No. 3 (API No. 30-025-08880), located 660 feet from the North and West lines (Unit D) of said Section 12. Eumont gas production attributed to said 440-acre GPU is to be simultaneously dedicated to said H. T. Mattern (NCT-E) Well No. 3 and its H. T. Mattern (NCT-E) Well Nos. 10, 11, and 13 located in Unit "N" of said Section 1 and Units "B" and "H" of said Section 12, respectively. In the absence of objection, this application will be taken under advisement.

CASE 11850: **Application of Diamond Head Properties, L. P., et al, for clarification of Division Order No. R-10731-B, Eddy County, New Mexico.** Applicants, Diamond Head Properties, L. P. and its joint interest owners, Grover Family, L.P., Dugan Production Corp., Pennant Petroleum Inc. and Glenn S. Brant, (collectively the "Diamond Head Group") seek clarification of Order No. R-10731-B, issued February 2, 1997, and request that the Division order KCS Medallion Resources, Inc. ("KCS") to distribute to Diamond Head Properties and its joint owners their proportionate share of any nonconsenting working interest owner's share of production plus the 200% risk factor penalty. Said pooled unit is located approximately 10 miles north of Carlsbad, New Mexico.

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CASE 11827: (Continued from August 7, 1997, Examiner Hearing.)

Application of Gillespie-Crow, Inc. to amend Order No. R-10448-A and to amend the special pool rules for the West Lovington-Strawn Pool, Lea County, New Mexico. Applicant requests that the special pool rules for the West Lovington-Strawn Pool be amended to provide for a gas:oil ratio of 5000:1. Applicant further requests that Order No. R-10448-A be amended to reinstate a project allowable for the West Lovington-Strawn Unit. Said pool and/or unit covers all or parts of Sections 28, 32, 33, and 34, Township 15 South, Range 35 East; Sections 1 and 2, Township 16 South, Range 35 East; and Section 6, Township 16 South, Range 36 East. Said pool and unit are located approximately 4.5 miles west-northwest of Lovington, New Mexico.