

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 20, 1997

8:15 AM - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 37-97 and 38-97 are tentatively set for December 4, 1997 and December 18, 1997. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

(Readvertised)
CASE 11881: Application of Southwest Royalties, Inc. for a pressure maintenance project, Lea County, New Mexico. Applicant seeks authority to inject produced water into the Delaware formation of the Salada Draw Field for pressure maintenance through the perforated interval from approximately 5002 feet to 5023 feet in its existing Ammons Madera Well No. 1 located 1980 feet from the South line and 990 feet from the West line (Unit N) in Section 15, Township 29 South, Range 33 East. Said project is located approximately 10 miles east-northeast of the intersection of Highway 62/180 with the Eddy/Lea County line, New Mexico.

CASE 11882: Application of Xeric Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4 SE/4 of Section 14, Township 20 South, Range 38 East, forming a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing, including but not necessarily limited to the D-K-Abo Pool. Said unit is to be dedicated to its Hall Well No. 1 to be drilled and completed at a standard well location in Unit P of said Section 14. 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 10 miles southeast of Hobbs, New Mexico.

CASE 11883: Application of Marathon Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 3500 feet (the base of the San Andres formation) to 11,152 feet (the base of the Morrow formation) underlying Lots 1-4, S/2 N/2 (N/2 equivalent) of Irregular Section 4, Township 19 South, Range 28 East, forming a standard 322.32-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the North Turkey Track-Morrow Gas Pool, and forming a standard 161.04-acre gas spacing and proration unit underlying Lots 1 and 2 and S/2 NE/4 (NE/4 equivalent) of said Section 4 for any and all formations/pools developed on 160-acre gas spacing, and forming a standard 40-acre oil spacing and proration unit underlying the SW/4 NE/4 of said Section 4 for any and all formations/pools developed on 40-acre oil spacing. Said unit is to be dedicated to its Courtman "4" State Well No. 1 to be drilled and completed at a standard gas well location in Unit G of said Section 4. 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 9 miles southwest of Loco Hills, New Mexico.

CASE 11884: Application of Marathon Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 3500 feet (the base of the San Andres formation) to 11,152 feet (the base of the Morrow formation) underlying the S/2 of Section 4, Township 19 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 gas spacing within said vertical extent, which presently may include but is not necessarily limited to the North Turkey Track-Morrow Gas Pool, and forming a standard 160-acre gas spacing and proration unit underlying the SW/4 of said Section 4 for any and all formations/pools developed on 160-acre gas spacing, and forming a standard 40-acre oil spacing and proration unit underlying the NE/4 SW/4 of said Section 4 for any and all formations/pools developed on 40-acre oil spacing. Said unit is to be dedicated to its Mitchusson "4" State Well No. 1 to be drilled and completed at a standard gas well location in Unit K of said Section 4. 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 9 miles southwest of Loco Hills, New Mexico.

CASE 11821: (Readvertised and Reopened)

Amended application of Paloma Resources Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Strawn formation in the S/2 SW/4 of Section 28, Township 16 South, Range 37 East, forming a standard 80-acre spacing and proration unit in the Undesignated West Casey-Strawn Pool. Said unit is to be dedicated to the Paloma Resources Inc. Shell Oil Company Home Stake Well No. 1 located 660 feet from the South and West lines of said Section 28 (Unit M) which, in accordance with Division Rule 111, is to be a directional wellbore whose Producing Interval will be located within its Producing Area and dedicated to a Project Area consisting of the S/2 SW/4 of Section 28, Township 16 South, Range 37 East. 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 7 miles north-northwest of Humble City, New Mexico.

CASE 11885: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation, for all formations developed on 320-acre spacing in the N/2, all formations developed on 160-acre spacing in the NW/4 including the South Salt Lake Morrow Gas Pool and all formations developed on 40-acre spacing in the NE/4 NW/4 of Section 34, Township 20 South, Range 33 East. Said unit is to be dedicated to its Tomahawk "34" Federal Com Well No. 1 to be drilled at a standard location 660 feet from the North line and 1650 feet from the West line of said Section 34 to test all formations from the surface to the base of the Morrow formation. 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 area is located approximately 5 miles southeast of Halfway, New Mexico.

CASE 11869: **(Continued from November 6, 1997, Examiner Hearing.)**

Application of Charles B. Gillespie, Jr. for compulsory pooling and a non-standard oil spacing and proration unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lots 17 and 18 of Section 6, Township 16 South, Range 36 East, to form a non-standard 73.12-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within said vertical extent, including the Undesignated Northeast Shoe Bar-Strawn Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location 990 feet from the South line and 874 feet from the West line (Unit M) of Section 6. 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 3 miles west of Lovington, New Mexico.