

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 25, 1998

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 18-98 and 19-98 are tentatively set for July 9 and July 23, 1998. 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 11988:** Application of Merrion Oil & Gas Corporation for compulsory pooling, San Juan County, New Mexico. The applicant seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of Section 5, Township 29 North, Range 11 West, thereby forming a standard 293.68-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its proposed Fifield Com Well No. 1-E (API No. 30-045-29517) to be drilled at a standard gas well location in the NW/4 equivalent of said Section 5. 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 unit and a charge for risk involved in drilling said well. Said unit area is located approximately 4 miles south of Aztec, New Mexico.
- CASE 11989:** Application of Burlington Resources Oil & Gas Company for approval of four non-standard gas spacing and proration units, San Juan County, New Mexico. Applicant seeks approval of four non-standard gas spacing and proration units within the Allison Unit to be dedicated to any production from the Blanco Mesaverde Gas Pool, said units to be configured from Section 12, Township 32 North, Range 7 West, and Sections 7 and 8, Township 32 North, Range 6 West. These units are made necessary as a result of variations in the legal subdivision of the United States Public Land Survey and are identical to the non-standard gas spacing and proration units which have been approved for the Basin Dakota Gas Pool. The units are located approximately 3 miles east of the intersection of New Mexico State Highway 511 and the border between the States of New Mexico and Colorado. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**
- CASE 11990:** Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant seeks authority to downhole commingle Atoka, Morrow and Mississippian production within the wellbore of its existing Morton Unit Well No. 1 located 770 feet from the North line and 2150 feet from the East line (Unit B) of Section 5, Township 15 South, Range 35 East. This well is located approximately 7 miles southwest of Hagerman, New Mexico.
- CASE 11991:** Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant seeks authority to downhole commingle Undesignated Kennedy Farms-Upper Pennsylvanian, Undesignated Kennedy Farms-Atoka and Kennedy Farms-Morrow Pool production within its Martin "ARH" Well No. 1 located 1980 feet from the South and East lines (Unit J) of Section 27, Township 17 South, Range 26 East. This well is located approximately 3 miles southeast of Artesia, New Mexico.
- CASE 11992:** Application of Penwell Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the SE/4 SW/4 for all formations developed on 40-acre spacing in Section 19, Township 18 South, Range 31 East. Applicant proposes to dedicate this pooled unit to its West Shugart-Wolfcamp "19" Federal Well No. 1 to be drilled at a standard location in the SE/4 SW/4 of said Section 19 to test any and all formations from the surface to the base of the Wolfcamp formation, West Shugart-Wolfcamp Pool. Also to be considered will be cost and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. Said area is located approximately 9 miles southwest of Maljamar, New Mexico.
- CASE 11993:** Application of John H. Hendrix Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the top of the Abo formation (approximately 7,000 feet) to the base of the Strawn formation developed on 40-acre spacing underlying the NE/4 NW/4, and in all formations developed on 80-acre spacing underlying the E/2 NW/4, including the Cass-Pennsylvanian Pool, of Section 16, Township 20 South, Range 37 East. The unit is to be dedicated to its Wood State Well No. 4 which will be drilled at a standard location 660 feet from the North line and 2310 feet from the West line (Unit C) of Section 16. Also to be considered will be the cost of drilling and completing the 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 the well. This area is located approximately 3 miles southeast of Monument, New Mexico.
- CASE 11994:** Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, Townsend-Morrow Gas Pool, underlying Lots 9 through 16 for all formations developed on 320-acre spacing, Lots 11 through 14 for all formations developed on 160-acre spacing, Lots 13 and 14 for all formations developed on 80-acre spacing and Lot 14 for all formations developed on 40-acre spacing, all in Section 3, Township 16 South, Range 35 East. Applicant proposes to dedicate these pooled units to its Parachute Hopper Well No. 1 to be drilled at a standard gas well location 3510 feet from the South line and 1650 feet from the West line of Section 3. Also to be considered will be the cost of drilling and completing the 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 the well. This area is located approximately 5 miles west of Lovington, New Mexico.
- CASE 11995:** Application of Wilson & Barr Oil & Gas Exploration for an unorthodox well location, Eddy County, New Mexico. Applicant seeks authorization to drill a well to the Morrow formation, Undesignated Little Box Canyon-Morrow Gas Pool, at an unorthodox well location 660 feet from the North line and 330 feet from the West line of Section 31, Township 20 1/2 South, Range 22 East. All of irregular Section 31 is to be dedicated to said well. Said unit is located approximately 20 miles south of Hope, New Mexico.

CASE 11996: Application of Pendragon Energy Partners, Inc. and J. K. Edwards Associates, Inc. to confirm production from the appropriate common source of supply, San Juan County, New Mexico. The applicants, pursuant to Rule 3 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, seeks an order confirming that the following described wells completed within the vertical limits of the WAW-Fruitland Sand-Pictured Cliffs Pool and the Basin-Fruitland Coal (Gas) Pool are producing from the appropriate common source of supply and providing further relief as the Division deems necessary: (i) the Pendragon Energy Partners, Inc. operated Chaco Well Nos. 1, 2-R, 4, and 5 and Chaco Ltd. Well Nos. 1-J and 2-J located in Sections 7 and 18, Township 26 North, Range 12 West and Section 1, Township 26 North, Range 13 West, and (ii) the Whiting Petroleum Corporation operated Gallegos Federal "26-12-6" Well No. 2, Gallegos Federal "26-12-7" Well No. 1, Gallegos Federal "26-13-" Well Nos. 1 and 2, and Gallegos Federal "26-13-12" Well No. 1 located in Sections 6 and 7, Township 26 North, Range 12 West and Sections 1 and 12, Township 26 North, Range 13 West. The area in which these wells are located is approximately 15 miles south-southeast of Farmington, New Mexico.