

DOCKET: COMMISSION HEARING - THURSDAY - OCTOBER 15, 1998

9:00 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

The Land Commissioner's designee for this hearing will be Jami Bailey or Gary Carlson

The minutes of the meeting of September 9, 1998, and the minutes of the September 10, 1998, Commission hearing will be adopted.

CASE 12003: (De Novo)

Application of Manzano Oil Corporation for special pool rules, Lea County, New Mexico. Applicant seeks the promulgation of special pool rules and regulations for the Featherstone - Bone Spring Pool comprised of portions of Sections 20 and 21 of Township 20 South, Range 35 East, including provisions for 80-acre spacing and special well location requirements. The area is located approximately 9 miles west-southwest of Monument, New Mexico. Upon application of Manzano Oil Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11958: (De Novo)

Application of Ocean Energy, Inc. for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in irregular Section 2, Township 16 South, Range 35 East, and in the following manner: Lots 9-16 of Section 2 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 extent, including the Undesignated Townsend-Morrow Gas Pool and the Undesignated North Townsend-Mississippian Gas Pool; and Lots 13 and 14 of Section 2 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 South Big Dog-Strawn Pool. Said units are to be dedicated to its Townsend State Com. Well No. 2, located at an unorthodox location 3250 feet from the South line and 1400 feet from the West line of said Section 2. 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 the risk involved in drilling said well. Said unit is located approximately 5 miles west-northwest of Lovington, New Mexico. Upon application of Ocean Energy Resources, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11959: (De Novo)

Application of Ocean Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the S/2 of irregular Section 2, Township 16 South, Range 35 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 extent, including the Undesignated Townsend-Morrow Gas Pool and the Undesignated North Townsend-Mississippian Gas Pool. Said unit is to be dedicated to its Townsend State Com. Well No. 6, located at an orthodox location 990 feet from the South line and 1650 feet from the West line of said Section 2. 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 the risk involved in drilling said well. Said unit is located approximately 5 miles west of Lovington, New Mexico. Upon application of Ocean Energy Resources, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11934: (De Novo)

Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests underlying the following described acreage in irregular Section 2, Township 16 South, Range 35 East, in the following manner: Lots 11, 12, 13, 14 and the SW/4 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 extent; Lots 11, 12, 13 and 14 to form a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; Lots 13 and 14 to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent; Lot 13 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said units are to be dedicated to the proposed Fields "APK" State Com Well No. 3 which will be drilled at a standard location 3300 feet from the South line and 760 feet from the West line of said Section 2. 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 the risk involved in drilling said well. Said area is located approximately 4 miles west of Lovington, New Mexico. Upon application of Ocean Energy Resources, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11985: (De Novo)

Application of Saga Petroleum, L.L.C., for an unorthodox well location, Eddy County, New Mexico. Applicant seeks authorization to drill its Dero Federal Well No. 3 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 35, Township 19 South, Range 28 East, to test all pools developed on 320-acre spacing including the Winchester-Morrow Gas Pool, the Undesignated Winchester-Atoka Gas Pool, the Winchester-Strawn Gas Pool, the Undesignated Winchester-Upper Pennsylvanian Gas Pool, and the Undesignated Winchester-Wolfcamp Pool. The S/2 of said Section 35 is to be dedicated to said well forming a standard 320-acre spacing and proration unit. Said unit is located approximately 13 miles east of Lakewood, New Mexico. Upon application of Saga Petroleum, L.L.C., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 12059: **Application of Saga Petroleum, L.L.C., for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 35, Township 19 South, Range 28 East, for certain pools including but not limited to the Winchester-Upper Pennsylvanian Gas Pool, Winchester-Strawn Gas Pool, Winchester-Atoka Gas Pool, and the Winchester Morrow Gas Pool. Applicant proposes to dedicate these pooled units to its Dero Federal Well No. 3 to be drilled at an unorthodox well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 35, which is the subject of companion Case No. 11985. 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 operator of the well and a charge for risk involved in drilling the well. The unit is located approximately 13 miles east of Lakewood, New Mexico.

The Oil Conservation Commission may vote to close the open meeting to deliberate any De Novo cases heard at this hearing.