

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 7, 1999

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 32-99 and 33-99 are tentatively set for October 21 and November 4, 1999. 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 12249: **Application of Navajo Refining Company to modify its discharge plan to change the location of an injection well, Eddy County, New Mexico.** Applicant seeks to modify its discharge plan (# UIC-CLI-008) to revise the location of its proposed WDW-2 injection well to a well originally drilled as the Amoco Production Company Diamond Federal Gas Com No. 1, located in the NW/4 of Section 12, Township 18 South, Range 27 East. The well is located approximately 10 miles southeast of Artesia, New Mexico.

CASE 12250: **Application of Thunderbolt Petroleum, LLC, Inc. for Approval of a waterflood Project, Eddy County, New Mexico.** Applicant seeks authority to institute a waterflood project on its Cal-Mon (State) lease comprising the SW/4 of Section 16, Township 18 South, Range 29 East, by the injection of produced water into the Loco Hills-Queen-Grayburg-San Andres Pool through its Cal-Mon Wells No. 1 and 3 located in Units "L" and "M", respectively, of Section 16. The proposed project area is located approximately 7 miles southwest of Loco Hills, New Mexico.

CASE 12246: **Continued from September 16, 1999, Examiner Hearing.**

Application of Snow Oil & Gas, Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation which includes the Esperanza-Delaware Pool, underlying the NW/4 SW/4 for all formations developed on 40-acre spacing in Section 28, Township 21 South, Range 27 East. Applicant proposes to dedicate this pooled unit to a well to be drilled at a standard location (Unit L) in the NW/4 SW/4 of Section 28 to test any and all formations to the base of the Bone Spring formation. 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 and completing the well. The unit is located approximately 2 miles northeast of the City of Carlsbad, New Mexico.

CASE 12251: **Application of McElvain Oil & Gas Properties, Inc. for Compulsory Pooling, Rio Arriba County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing from the base of the Pictured Cliffs formation to the base of the Mesaverde formation in Lots 1, 2, S/2 NE/4, SE/4 (E/2 equivalent), of Section 4, Township 25 North, Range 2 West. The unit is to be dedicated to its Elk Com 4 Well No. 1 to be drilled to a depth sufficient to test all formations to the base of the Mesaverde formation, Blanco-Mesaverde Gas Pool, at a standard location in the NE/4 of Section 4. 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 and completing the well. The unit is located approximately 9 miles north of Lindrith, New Mexico.

CASE 12235: **Continued from September 16, 1999, Examiner Hearing.**

Application of Louis Dreyfus Natural Gas Corp. 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 following described acreage in Section 2, Township 19 South, Range 28 East, in the following manner: the W/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Millman-Wolfcamp Gas Pool, Undesignated North Turkey Track-Cisco Gas Pool, Undesignated Millman-Atoka Gas Pool, and Undesignated North Turkey Track-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; the N/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated Travis-Upper Pennsylvanian Pool; and the NE/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Artesia Queen-Grayburg-San Andres Pool and Undesignated Palmillo-Bone Spring Pool. The units are to be dedicated to its Turkey Track "2" State Well No. 1 located at an orthodox location 1650 feet from the North and West lines (Unit K) of Section 2. 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. The units are located approximately 13 1/2 miles northeast of Lakewood, New Mexico.

CASE 12234: **Continued from September 16, 1999, Examiner Hearing.**

Application of Louis Dreyfus Natural Gas for Compulsory Pooling and an Unorthodox Oil Well Location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 4, Township 18 South, Range 29 East, in the following manner: (a) the N/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 this vertical extent which presently includes the Undesignated Grayburg-Strawn Gas Pool, Undesignated Grayburg-Atoka Gas Pool, Undesignated Grayburg-Morrow Gas Pool, and Undesignated South Empire-Morrow Gas Pool; (b) the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; (c) the S/2 NE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing which presently includes the Undesignated South Empire-Wolfcamp Pool; and (d) the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within this vertical extent which presently includes the Loco Hills-Queen-Grayburg-San Andres Pool, Undesignated Loco Hills-Bone Spring Pool, and Undesignated Loco Hills-Cisco Pool. These four units are to be dedicated to a single well, the proposed Loco Hills 4 Federal Com Well No. 1, to be drilled 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 4, being a standard well location for the 40, 160, and 320-acre spacing and proration units but an unorthodox oil well location in the

Undesignated South Empire-Wolfcamp Pool for the 80-acre unit. 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. The proposed well location is approximately 6.5 miles west-southwest of Loco Hills, New Mexico.

CASE 12252: **Application of Enron Oil & Gas Company for Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian Chester formation underlying the following described acreage in Section 4, Township 17 South, Range 28 East, in the following manner: the E/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Dog Canyon-Strawn Gas Pool and the Undesignated Southeast Crow Flats-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; the E/2 SE/4 to form a standard 80-acre spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent; and the SE/4 SE/4 to form a standard 40-acre spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent. Applicant proposes to dedicate these pooled units to its Amtrak State Com. Well No. 1 to be drilled at a standard location 660 feet from the South and East lines (Unit P) of Section 4. 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 and completing the well. The units are located approximately 13 miles northwest of Loco Hills, New Mexico.

CASE 12194: **Continued from September 16, 1999, Examiner Hearing.**

Application of Shackelford Oil Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NW/4 SE/4 (Unit J) of Section 3, Township 20 South, Range 33 East, thereby forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, which presently includes the Undesignated Teas-Yates-Seven Rivers Pool and the Undesignated West Teas-Yates-Seven Rivers Pool. The unit is to be dedicated to a well to be drilled at a standard oil well location thereon. 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 proposed 40-acre unit is located approximately 1.25 miles north of U. S. Highway 62-180 at mile marker No. 77.

CASE 12196: **Continued from September 16, 1999, Examiner Hearing.**

Application of Shackelford Oil Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the SW/4 SE/4 (Unit O) of Section 3, Township 20 South, Range 33 East, thereby forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, which presently includes the Undesignated Teas-Yates-Seven Rivers Pool and the Undesignated West Teas-Yates-Seven Rivers Pool. This unit is to be dedicated to a well to be drilled at a standard oil well location thereon. 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 proposed 40-acre unit is located approximately 1 mile north of U. S. Highway 62-180 at mile marker No. 77.

CASE 12229: **(Readvertised)**

Application of OXY USA, Inc. for Compulsory Pooling and an Unorthodox Oil Well Location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the following described acreage in Section 4, Township 18 South, Range 29 East, in the following manner: (a) the N/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 this vertical extent which presently includes the Undesignated Grayburg-Strawn Gas Pool, Undesignated Grayburg-Atoka Gas Pool, Undesignated Grayburg-Morrow Gas Pool, and Undesignated South Empire-Morrow Gas Pool; (b) the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; (c) the S/2 NW/4 to form a standard 80-acre oil spacing and proration unit for the Undesignated South Empire-Wolfcamp Pool; and (d) the SE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within this vertical extent which presently includes the Loco Hills-Queen-Grayburg-San Andres Pool, Undesignated Loco Hills-Bone Spring Pool, and Undesignated Loco Hills-Cisco Pool. These four units are to be dedicated to a single well, the proposed Buckskin Federal Well No. 1, to be drilled 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 4 which is a standard well location for the 40, 160, and 320-acre spacing and proration units but an unorthodox oil well location in the Undesignated South Empire-Wolfcamp Pool for the 80-acre unit. 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. The proposed well location is approximately 6.5 miles west-southwest of Loco Hills, New Mexico.