


## MEMORANDUM

To: Operators and Interested Parties in the Jalmat Pool

From: Lori Wrotenbery   
Director

Date: February 18, 2000

Re: **Jalmat Special Pool Rules**

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On January 25, 2000, the Oil Conservation Division (Division) convened a meeting in Hobbs, New Mexico to discuss the Jalmat Special Pool Rules. On February 8, 2000, another meeting was held by the Division in Midland, Texas among interested parties to discuss these rules.

While there are pending before the Division specific cases that implicate these rules, no one has filed an application regarding changes to the rules. At this time there does not appear to be a need for the Division to conduct additional review of the rules for the continued development of this pool.

Consequently, the Division will not docket a case on the Jalmat Special Pool Rules in March 2000, as had been considered prior to the two recent meetings. However, any person who believes an amendment to the special pool rules is needed may file his application with the Division.

c: Chris Williams

**DOCKET: EXAMINER HEARING - THURSDAY - MARCH 2, 2000**

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 8-00 and 9-00 are tentatively set for March 16 and April 6, 2000. 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 12348:** Application of David H. Arrington, Oil & Gas, Inc. for an Unorthodox Injection Well Location, approval of its Mayfly "14" State Leasehold Pressure Maintenance Project, and to Qualify this Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its gas injection pressure maintenance project within the Strawn formation of the North Shoe Bar-Strawn Pool to be located within the NE/4 of Section 14, Township 16 South, Range 35 East, to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (Sections 7-29/A-1 through 7-29A-5, NMSA 1978). Applicant also seeks approval to drill its injection well at an unorthodox well location 535 feet from the North line and 2300 feet from the East line and of this section. This project is located approximately 4 miles southeast of Lovington, New Mexico.

**CASE 12349:** Application of Concho Resources, Inc. 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 20, Township 18 South, Range 24 East, in the following manner: the S/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, which presently may include but is not necessarily limited to the North Antelope Sink-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 units are to be dedicated to its Southern Cross "20" Federal Com Well No. 1 to be drilled and completed at a standard gas well location in Unit P of this section. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs 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 unit is located approximately 9 1/2 miles southwest of Artesia, New Mexico.

**CASE 12327:** Continued from February 3, 2000, Examiner Hearing.

Application of OXY USA, Inc. to Rescind Division Order No. R-4638 which adopted the Special Pool Rules for the West Parkway-Strawn Gas Pool and the West Parkway-Atoka Gas Pool, or in the alternative, for an Unorthodox Gas Well Location, Eddy County, New Mexico. Applicant seeks an order rescinding the special pool order for the West Parkway-Atoka Gas Pool and the West Parkway-Strawn Gas Pool so that all existing and future wells and their respective spacing and proration units which are now subject to this order will be governed by the provisions of Division General Rules including Rule 104. In the alternative, applicant seeks an unorthodox well location in both of these pools for its Pearl Well No. 2 (API No. 30-015-30851), which is a well being drilled to the Morrow formation at a standard gas well location 860 feet from the North line and 660 feet from the East line of Section 32, Township 19 South, Range 29 East, and to be dedicated to the E/2 of this section. The current boundaries of these pools includes all or portions of Sections 21, 27, 28, 29, 30 and 34, Township 19 South, Range 29 East. These pools are located approximately 7 miles north from the intersection of State Highway No. 31 and US Highway No. 180, New Mexico.

**CASE 12257:** Continued from February 3, 2000, Examiner Hearing.

Application of E.G.L. Resources, Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Yates formation underlying the NW/4 of Section 23, Township 20 South, Range 28 East 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, including the Russell-Lower Yates Gas Pool. This unit is to be dedicated to a well to be drilled at a standard gas 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 the operator of the well, and a charge for risk involved in drilling and completing the well. The unit is located approximately 11 miles north-northeast of Carlsbad, New Mexico.

**CASE 12320:** Continued from February 3, 2000, Examiner Hearing.

Application of Chevron U.S.A. Production Co. for Approval to convert the EMSU Wells No. 210, 212, 222, 252 and 258 to Injection in the Eunice Monument South Unit, Lea County, New Mexico. Applicant seeks approval to convert its EMSU Wells No. 210, 212, 222, 252 and 258 to injection in the Eunice Monument South Unit (EMSU). These wells are designed to improve recovery efficiency of the waterflood patterns and enhance production of the EMSU secondary recovery project. The wells are located in the following locations: No. 210 - Section 4, Unit K, Township 21 South, Range 36 East; No. 252 - Section 5, Unit I, Township 21 South, Range 36 East; No. 222 - Section 6, Unit O, Township 21 South, Range 36 East; No. 252 - Section 6, Unit W, Township 21 South, Range 36 East; No. 258 - Section 4, Unit U, Township 21 South, Range 36 East. Water will be injected into the unitized interval of the Eunice Monument Grayburg-San Andres Pool which has an upper limit of 100 feet below mean sea level or the top of the Grayburg formation, whichever is higher, to a lower limit of the base of the San Andres formation. Injection will occur at an expected maximum pressure rate of 1500 barrels of water per day and an expected maximum pressure of 750 pounds per square inch. This area is approximately one mile west-southwest of Oil Center, New Mexico

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**CASE 12350:**     **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 gas spacing from the base of the Pictured Cliffs formation to the base of the Mesaverde formation in Lots 3, 4, S/2 NW/4, SW/4 (W/2 equivalent), of Section 3, Township 25 North, Range 2 West. The units are to be dedicated to its Elk Corn 3 Well No. 1A 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 SW/4 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. The area is located approximately 9 miles north of Lindrieth, New Mexico.

**CASE 12351:**     **Application of Nearburg Exploration Company, 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 W/2 for all formations developed on 320-acre spacing, the NW/4 for all formations developed on 160-acre spacing, the W/2 NW/4 for all formations developed on 80-acre spacing, and the SW/4 NW/4 for all formations developed on 40-acre spacing, all in Section 19, Township 18 South, Range 27 East. Applicant proposes to dedicate these pooled units to its proposed Rio Pecos 19 Well No. 1, to be drilled at a standard gas well location in the SW/4 NW/4 of Section 19. 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 area is located approximately 10 miles southeast of Artesia, New Mexico.

**CASE 12352:**     **Application of Yates Petroleum Corporation for an Unorthodox Well Location, Lea County, New Mexico.** Applicant seeks authorization to drill its Wings "AUT" State Well No. 1 to the Morrow formation, Feather Morrow Gas Pool, at an unorthodox well location 560 feet from the South line and 660 feet from the West line of Section 17, Township 15 South, Range 32 East. The S/2 of Section 17 is to be dedicated to the well. The unit is located approximately 22 miles west of Lovington, New Mexico.

**CASE 12329:**     **Readvertised**

**Application of EOG Resources, Inc. for a Unit Agreement, Lea County, New Mexico.** Applicant seeks approval of a unit agreement for its proposed Red Hills North Unit Area containing 3478.30 acres, more or less, of Federal and State lands comprising all or portions of Sections 6, 7, 8, 17 and 18, Township 25 South, Range 34 East, and all or portions of Sections 1, 12 and 13, Township 25 South, Range 33 East. The unit area is located approximately 19 miles west by north of Jal, New Mexico.

**CASE 12343:**     **Continued from February 17, 2000, Examiner Hearing.**

**Application of John H. Hendrix Corporation for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order pooling all oil and associated casinghead gas formations developed on 40-acre spacing from the base of the Grayburg formation to the base of the Drinkard formation in the NE/4 SW/4 of Section 34, Township 23 South, Range 37 East. The unit is to be dedicated to its Eva Blinebry "B" Well No. 1, to be drilled at a standard location in the NE/4 SW/4 of Section 34 to a depth of approximately 6,400 feet to test all formations from the base of the Grayburg formation to the base of the Drinkard formation, Teague-Paddock-Blignebry Pool and the Undesignated Imperial Tubb-Drinkard Pool. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs 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 well is located approximately 12 miles south of Eunice, New Mexico.