

Examiner Hearing – May 4, 2000
Docket No. 12-00
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CASE 12385: Continued from April 20, 2000, Examiner Hearing.

Application of Texaco Exploration and Production, Inc. for Compulsory Pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Abo formation to the base of the Morrow formation underlying the following described acreage in Section 36, Township 15 South, Range 31 East, and in the following manner: (a) the W/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 West Anderson Ranch-Pennsylvanian Gas Pool; and (b) the NW/4 to form a standard 160-acre gas spacing and proration unit for all formations developed on 160-acre spacing within this vertical extent. Both units are to be dedicated to the proposed Dulce "36" State Com. Well No. 1 (API No. 30-005-21160), to be drilled at a standard gas well location for both units 1330 feet from the North line and 1980 feet from the West line (Unit F) of Section 36. 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 this well and the two above-described units, and a charge for risk involved in drilling the well. The proposed well location is approximately seven miles north of Maljamar, New Mexico.

CASE 12386: Continued from April 20, 2000, Examiner Hearing.

Application of Southwestern Energy Production Company 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 N/2 of Section 10, Township 17 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 that vertical extent, including the Undesignated South Shoe Bar-Atoka Gas Pool, the Undesignated South Shoe Bar-Morrow Gas Pool, and the Undesignated South Shoe Bar-Mississippian Gas Pool. The unit is to be dedicated to its South Shoe Bar "10" State Com. Well No. 4 to be drilled at an orthodox location in the NE/4 NW/4 of Section 10. 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 and completing the well. The unit is located approximately 8 1/2 miles southwest of Lovington, New Mexico.

CASE 12379: Continued from April 20, 2000, Examiner Hearing.

Application of KCS Medallion Resources, Inc. for Compulsory Pooling and an Unorthodox Gas 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 23, Township 19 South, Range 29 East, and in the following manner: (i) the N/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 but not limited to the Undesignated West Parkway-Atoka Gas Pool and Undesignated West Parkway-Morrow Gas Pool; (ii) the NW/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, including but not limited to the Undesignated Parkway-Strawn Pool; (iii) and the NW/4 NW/4 for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated Parkway-Delaware Pool, Undesignated North Parkway-Wolfcamp Pool, and Undesignated North Parkway-Upper Pennsylvanian Pool. These units are to be dedicated to applicant's West Parkway State Well No. 1 to be drilled from a surface location 400 feet from the South line and 1050 feet from the East line (Unit P) of Section 15, Township 19 South, Range 29 East to a bottomhole location 660 feet from the North and West lines of Section 23. Applicant also requests approval of an unorthodox gas well location. 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 units, and a charge for risk involved in drilling and completing the well. The units are located approximately 12 1/2 miles south-southwest of Loco Hills, New Mexico.

CASE 12374: Continued from April 6, 2000, Examiner Hearing.

Application of Yates Petroleum Corporation for Amendment of the Special Rules and Regulations for the South Big Dog-Strawn Pool, Lea County, New Mexico. Applicant seeks the amendment of the Special Rules and Regulations for the South Big Dog-Strawn Pool located in portions of Section 32, Township 15 South, Range 35 East, and portions of Sections 1, 2, 3, 11 and 12, Township 16 South, Range 35 East, including the adoption of a special gas-oil ratio for the pool of 6000 cubic feet of gas for each barrel of oil produced. This area is centered approximately 4 miles west of Lovington, New Mexico.

CASE 12401: **Application of Ocean Energy Resources, Inc. for Pool Creation and Special Pool Rules, Pool Contraction, and Cancellation of Overproduction, Lea County, New Mexico.** Applicant seeks the following: (i) to contract the horizontal limits of the South Big Dog-Strawn Pool by severing the S/2 SE/4 of Irregular Section 2 and the NE/4 of Section 11, both in Township 16 South, Range 35 East; (ii) the creation of a new pool for the production of oil from the Strawn formation to comprise this severed acreage; (iii) for the promulgation of special rules and regulation for this new pool including provisions for 80-acre spacing and designated well location requirements; (iv) to establish a special top depth bracket allowable for this new pool of 750 barrels of oil per day for each unit; (v) to set a special limiting gas/oil ratio for this new pool at 6,000 cubic feet of gas for per barrel of oil, or a casinghead gas allowable for each unit set at 4,500,000 cubic feet of gas per day; and (vi) and the cancellation of any over-production incurred on wells producing from the South Big Dog-Strawn Pool within this newly established pool boundary. The proposed pool is centered approximately 3 miles west of Lovington, New Mexico.

CASE 12402: **Application of Devon Energy Operating Company, L.P. to amend Division Order No. R-11264 and for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order amending Order No. R-11264 and pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 7, Township 24 South, Range 25 East, and in the following manner: Lots 3, 4, E/2 SW/4, and SE/4 to form a standard 319.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Mosley Canyon-Strawn Gas Pool and Undesignated Baldridge Canyon-Morrow Gas Pool; and Lots 3, 4, and E/2 SW/4 to form a standard 159.80-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 applicant's State 7 Well No. 2Y, located 1836 feet from the South line and 2000 feet from the West line (Unit K) of Section 7. 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 5.5 miles northwest of Whites City, New Mexico.

CASE 12368: **Continued from April 20, 2000, Examiner Hearing.**

Application of Harvey E. Yates Company for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 9000 feet subsurface to the base of the Morrow formation underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 5, Township 18 South, Range 31 East, to form a standard 319.96-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shugart-Morrow Gas Pool. The unit is to be dedicated to a well to be drilled at a standard gas well location in the SW/4 of Section 5. 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 and completing the well. The unit is located approximately six miles southeast of Loco Hills, New Mexico.

CASE 12403: **Application of Home-Stake Oil & Gas Company for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Fusselman formation underlying the NW/4 SE/4 of Section 26, Township 22 South, Range 37 East, to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated East Brunson-McKee Pool, Langlie-Mattix Pool, Undesignated South Brunson-Drinkard-Abo Pool, and Undesignated South McCormack-Silurian Pool. The unit is to be dedicated to applicant's Keohane Well No. 1 to be drilled at an orthodox oil well location in Section 26. Also to be considered will be the cost of drilling 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 the risk involved in drilling and completing the well. The unit is located approximately 5 1/2 miles south-southeast of Eunice, New Mexico.

CASE 12404: **Application of Home-Stake Oil & Gas Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks approval of an unorthodox oil well location in the Fusselman formation (South McCormack-Silurian Pool) in its Mazingo Well No. 1, to be located at a surface location 365 feet from the North line and 1593 feet from the East line (Unit B), and a bottomhole location 150 feet from the North line and 1470 feet from the East line (Unit B), of Section 27, Township 22 South, Range 37 East. The NW/4 NE/4 of Section 27 will be dedicated to the well. The unit is located approximately 4 1/2 miles south of Eunice, New Mexico. *IN THE ABSENCE OF OBJECTION THIS CASE WILL BE TAKEN UNDER ADVISEMENT.*

CASE 12405: **Application of Lynx Petroleum Consultants, 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 13, Township 19 South, Range 31 East, in the following manner: (i) the N/2 to form a standard 320-acre gas spacing and proration unit for all formations and/or pool developed on 320-acre spacing within that vertical extent, including the Undesignated Lusk-Atoka Gas Pool; and (ii) the NE/4 to form a standard 160-acre gas spacing and proration unit for all formations and/or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Lusk-Strawn Pool. The units are to be dedicated to applicant's Trapper 13 Federal Well No. 1, located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 13. 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 the risk involved in drilling and completing the well. The units are located approximately 14 miles southeast of Loco Hills, New Mexico.

CASE 12406: **Application of Pogo Producing company for approval of permits to drill four wells within the potash area, as defined by Division Order No. R-111-P, Eddy County, New Mexico.** Applicant seeks approval of permits to drill four wells in the S/2 S/2 of Section 35, Township 21 South, Range 31 East, to a depth sufficient to test the Undesignated Lost Tank-Delaware Pool. The proposed wells are within the potash area, as defined by Division Order No. R-111-P. The acreage is located approximately 28 miles east-northeast of Carlsbad, New Mexico.