

CASE 10267: (Continued from March 21, 1991, Examiner Hearing.)

Application of Pacific Enterprises Oil Company (USA) for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the following described acreage in Section 4, Township 23 South, Range 34 East, and in the following manner: All of said Section 4 forming a 639.52-acre gas spacing and proration unit in the Undesignated North Bell Lake-Devonian Gas Pool which is spaced on 640 acres; Lots 3 and 4, S/2 NW/4 and SW/4 (W/2 equivalent) to form a 320.16-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which includes, but is not necessarily limited to the Undesignated North Antelope Ridge-Wolfcamp Gas Pool, Undesignated Antelope Ridge-Atoka Gas Pool, Undesignated North Bell Lake-Morrow Gas Pool and the Undesignated Antelope Ridge-Morrow Gas Pool; the SW/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 said vertical extent; and, the NE/4 SW/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 said vertical extent which presently includes but is not necessarily limited to the Undesignated Northwest Antelope Ridge-Bone Spring Pool. Said units are to be dedicated to a single well to be drilled at a standard location in the NE/4 SW/4 (Unit K) of said Section 4. 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 risk involved in drilling said well. Said area is located approximately 20 miles west-southwest of Eunice, New Mexico.

CASE 10289: Application of BHP Petroleum (Americas) Inc. for amendment of Division Order No. R-9351, Lea County, New Mexico. Division Order No. R-9351 authorized an unorthodox oil well location to test the Strawn formation 1250 feet from the South line and 1725 feet from the East line (Unit O) of Section 20, Township 17 South, Range 37 East, whereby the SW/4 SE/4 of said Section 20 would be dedicated to said well to form a standard 40-acre oil proration unit. At this time the applicant, in the above-styled cause, seeks to deepen its Kimbrough State Well No. 1 to the base of the Devonian formation and to amend said Order No. R-9351 to include all formations from the base of the Strawn formation to the base of the Devonian formation in the provisions set forth in said Order. Said well is located approximately 3.5 miles west-northwest of Humble City, New Mexico.

CASE 10290: Application of Avon Energy Corporation for amendment of Division Order Nos. R-3185, R-3185-A and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-3185, R-3185-A, and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project to 450 psi above the formation parting pressure as determined from step-rate tests for four (4) certain injection wells in the entire Grayburg-San Andres formation of the Grayburg-Jackson Pool within the project area being all or parts of Sections 17, 20, 29, and 30 of Township 17 South, Range 31 East. Said project area is located approximately 4.5 miles east of Loco Hills, New Mexico.

CASE 10291: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and assigning discovery allowables to certain pools in Lea County, New Mexico.

- (a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated the South Shoe Bar-Wolfcamp Pool. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 1: NE/4

In addition, the discovery well for said South Shoe Bar-Wolfcamp Pool, the Mobil Exploration and Producing US Inc. Lovington Deep State Well No. 3 located in Unit G of Section 1, Township 17 South, Range 35 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 51,240 barrels of oil to be assigned over a two year period.

- (b) Assign a bonus discovery allowable of 37,930 barrels of oil to the Mitchell Energy Corporation Geronimo Federal Well No. 1 located in Unit D of Section 31, Township 19 South, Range 33 East, NMPM, the discovery well for the Geronimo-Delaware Pool. This discovery allowable is to be assigned over a two-year period.

CASE 10286: Application of American Hunter Exploration, Ltd. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and two non-standard oil proration units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a high angle/horizontal directional drilling pilot project in Sections 4 and 6, Township 27 North, Range 1 West, forming two non-standard oil spacing and proration units for said pool comprising 651.76 acres and 620.97 acres, respectively. Within each proration unit the applicant proposes to commence from surface unorthodox oil well locations (Section 4: 330 feet from the North and East lines and Section 6: 450 feet from the North line and 400 feet from the East line), drill vertically to a depth of 7500 feet, plug back to an appropriate depth and kick-off in a westerly direction, build angle to approximately 80 degrees, and continue to drill a high angle hole in the Mancos formation for approximately 2000 feet. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of each wellbore in each proration unit to the following described target windows: Section 4: 330 to 1830 feet from the North line and 330 to 2830 feet from the East line; and, Section 6: 330 to 1950 feet from the North line and 400 to 2900 feet from the East line. Said area is located approximately 24 miles south of Dulce, New Mexico.

CASE 10273: (Continued from March 21, 1991, Examiner Hearing.)

Application of Jack A. Cole for designation of a tight formation, San Juan, Rio Arriba, and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Gallup formation underlying portions of Townships 23 and 24 North, Ranges 6, 7, and 8 West, containing 81,920 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area surrounds the Lybrook and Counselor, New Mexico region.

CASE 10269: (Readvertised)

Application of Marathon Oil Company for a waterflood project and 12 unorthodox injection well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its McDonald State A/C 2 Lease underlying the W/2 of Section 15 and the E/2, SE/4 NW/4, and SW/4 of Section 16, Township 22 South, Range 36 East, by the injection of water into the South Eunice Seven Rivers-Queen Pool, through the perforated interval from approximately 3500 feet to 3850 feet in 12 injection wells, each to be drilled at unorthodox locations (three of which could be considered as Lease line injection wells). Further, the applicant seeks authorization to inject water under pressure in said project in excess of the NMOCD guideline of 0.2 psi per foot of depth. Said project area is located approximately seven miles south of Oil Center, New Mexico.

CASE 10287: Application of BTA Oil Producers for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Shinnery-Queen Pool, in the open hole and perforated interval from approximately 3,972 feet to 4,285 feet in its existing Cinco de Mayo Federal Well No. 3 located 990 feet from the North and West lines (Unit D) of Section 24, Township 18 South, Range 32 East. Said well is located approximately 8.5 miles south by east of Maljamar, New Mexico.

CASE 6580: (Reopened)

Application of Conoco Inc. for amendment of Division Order No. R-6157 and Division Administrative Order PMX-153, Maljamar Carbon Dioxide Injection Project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to reopen Division Case No. 6580 concerning its previously approved Carbon Dioxide Injection Pilot Project and to amend Order No. R-6157 and Administrative Order PMX-153 to authorize, retroactively, the injection of recycled produced hydrocarbon gases, CO₂ and water into the Maljamar Grayburg-San Andres Pool in order to continue the effective and efficient operation of the MCA Pressure Maintenance Project and the economic recovery of oil production from the reservoir.

CASE 10288: Application of Phillips Petroleum Company for a pressure maintenance project and a special oil producing allowable therein, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its James "A" State Lease underlying Lots 1 through 4, S/2 N/2, N/2 SW/4, SE/4 SW/4, and SE/4 of Section 2, Township 22 South, Range 30 East, by the injection of water into the Cabin Lake-Delaware Pool, through a perforated interval from approximately 5600 feet to 7400 feet in a well to be drilled 1250 feet from the South line and 1150 feet from the East line (Unit P) of said Section 2. Applicant further seeks a special oil producing allowable whereby any well in the project area could produce its ability and would not be subject to the depth bracket allowable for said pool. Said project area is located approximately 2.2 miles east of Carlsbad, New Mexico.

CASE 10282: (Continued from April 18, 1991, Examiner Hearing.)

Application of Woodbine Petroleum, Inc. for an exception to Division Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-3221, as amended, to permit the disposal of water produced in conjunction with the production of oil and gas from its surrounding leases into an unlined pit to be located in the SW/4 SE/4 (Unit O) of Section 11, Township 19 South, Range 31 East. Said area is located approximately 13.5 miles south-southwest of Maljamar, New Mexico.

CASE 10263: (Continued from April 18, 1991, Examiner Hearing.)

Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the E/2 of Section 30, Township 25 North, Range 12 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 30. 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 risk involved in drilling said well. Said unit is located approximately 9 miles southwest by west of the B.I.A. Huerfano Community School.

CASE 10296: Application of Mewbourne Oil Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the following described acreage in Section 1, Township 18 South, Range 27 East, and in the following manner: Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) forming a standard 320.52-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Empire-Pennsylvanian Gas Pool, Undesignated Scoggin Draw-Strawn Gas Pool, Undesignated Scoggin Draw-Atoka Gas Pool, Undesignated North Illinois Camp-Morrow Gas Pool, and Undesignated Scoggin Draw-Morrow Gas Pool; and the SE/4 NW/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to a single well to be drilled at an unorthodox location 1650 feet from the North line and 1350 feet from the West line (Unit F) of said Section 1. 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 risk involved in drilling said well. Said area is located approximately 5 miles southeast of Riverside, New Mexico.

CASE 10289: (Continued from April 18, 1991, Examiner Hearing.)

Application of BHP Petroleum (Americas) Inc. for amendment of Division Order No. R-9351, Lea County, New Mexico. Division Order No. R-9351 authorized an unorthodox oil well location to test the Strawn formation 1250 feet from the South line and 1725 feet from the East line (Unit O) of Section 20, Township 17 South, Range 37 East, whereby the SW/4 SE/4 of said Section 20 would be dedicated to said well to form a standard 40-acre oil proration unit. At this time the applicant, in the above-styled cause, seeks to deepen its Kimbrough State Well No. 1 to the base of the Devonian formation and to amend said Order No. R-9351 to include all formations from the base of the Strawn formation to the base of the Devonian formation in the provisions set forth in said Order. Said well is located approximately 3.5 miles west-northwest of Humble City, New Mexico.

~~CASE 10299~~ (Continued from April 18, 1991, Examiner Hearing.)

Application of Avon Energy Corporation for amendment of Division Order Nos. R-3185, R-3185-A and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-3185, R-3185-A, and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project to 450 psi above the formation parting pressure as determined from step-rate tests for four (4) certain injection wells in the entire Grayburg-San Andres formation of the Grayburg-Jackson Pool within the project area being all or parts of Sections 17, 20, 29, and 30 of Township 17 South, Range 31 East. Said project area is located approximately 4.5 miles east of Loco Hills, New Mexico.

CASE 10323: Application of Collins & Ware, Inc. for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation or to a depth of 15,100 feet, whichever is deeper, underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 31, Township 21 South, Range 32 East, forming a non-standard 334.72-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Red Tank-Atoka Gas Pool and Undesignated Bilbrey-Morrow Gas Pool. Said 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 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 risk involved in drilling said well. Said unit is located approximately 32.75 miles west of Eunice, New Mexico.

[REDACTED]: (Continued from May 2, 1991, Examiner Hearing.)

Application of Avon Energy Corporation for amendment of Division Order Nos. R-3185, R-3185-A and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-3185, R-3185-A, and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project to 450 psi above the formation parting pressure as determined from step-rate tests for four (4) certain injection wells in the entire Grayburg-San Andres formation of the Grayburg-Jackson Pool within the project area being all or parts of Sections 17, 20, 29, and 30 of Township 17 South, Range 31 East. Said project area is located approximately 4.5 miles east of Loco Hills, New Mexico.

CASE 10324: Application of Meridian Oil, Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, an exception to Rule 2(b) of the special rules governing the Blanco-Mesaverde pool, and a special project gas allowable, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a high angle/horizontal directional drilling pilot project in the equivalent E/2 (Lots 1, 3, 7, 8, 9, 10, 13, and 14) of Section 21, Township 31 North, Range 9 West, forming a 314.96-acre gas spacing and proration unit in the Blanco-Mesaverde Pool, by commencing its Sunray "G" Well No. 2R at a standard gas well location in the SW/4 SE/4 equivalent (Lot 13) of said Section 21, drill vertically to a depth of approximately 4766 feet, kick-off in a northeasterly direction, build angle up to 80 to 90 degrees and drill horizontally for approximately 3600 feet. Applicant further requests that special operating provisions and rules be established for said project area including the designation of a prescribed area limiting the horizontal displacement of the well's producing interval such that it can be no closer than 790 feet to the outer boundary of said proration unit and for a special project gas allowable. Also an exception to Rule 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Pool as promulgated by Division Order No. R-8170, as amended, is being sought allowing a third well to be drilled and produced on an existing proration unit in which are dedicated the Sunray "G" Wells Nos. 2 and 2A located in Units G and P, respectively, of said Section 21. Said unit is located approximately 12 miles east-northeast of Aztec, New Mexico.

CASE 10325: Application of Meridian Oil Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, a non-standard oil proration unit, an unorthodox well location, and a special project allowable, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Undesignated Angel Peak-Gallup Associated Pool underlying Lots 3 and 4, E/2 SW/4, and SE/4 (S/2 equivalent) of Section 31, Township 27 North, Range 10 West, which is considered a standard 328.18-acre gas spacing and proration unit for said pool but is an unorthodox oil proration unit, all pursuant to the special pool rules as promulgated by Division Order No. R-5353, as amended. The applicant purposes to drill from a tentative unorthodox surface location 1450 feet from the South line and 1060 feet from the East line (Unit D) of Section 31, Township 27 North, Range 10 West, kick-off from vertical in a westerly direction until an angle of 75 to 90 degrees is achieved and continue drilling horizontally for approximately 3450 feet. Applicant further seeks the adoption of special operating provisions and rules within the pilot project area including the designation of a prescribed area limiting the horizontal displacement of said well's producing interval such that it can be no closer than 790 feet to the outer boundary of the aforementioned 328.18-acre spacing and proration unit and for a special project allowable. Said unit is located approximately 12.5 miles south by east of Bloomfield, New Mexico.

CASE 10326: Application of Burnett Oil Company, Inc. for area expansion of its Gissler B-11 Waterflood Project and for waterflood expansion of its Grayburg Jackson San Andres Unit Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand the Gissler B-11 Waterflood Project Area, authorized by Division Order No. R-4676, to include an additional 200 acres on its Gissler and Gissler "A" Leases comprising the S/2 SE/4 of Section 11, N/2 NE/4 of Section 14, and the SW/4 SW/4 of Section 12, all in Township 17 South, Range 30 East. Applicant also seeks to expand said project by converting the Gissler "A" Well Nos. 12 and 14 located, respectively, in Unit P of Section 11 and Unit A of Section 14 to water injection wells in the Grayburg formation of the Grayburg Jackson Pool. The applicant further seeks to expand its Grayburg Jackson San Andres Unit Waterflood Project to include both wells by extending the injection intervals into the San Andres formation as well. Said area is located approximately 3 miles northeast of Loco Hills, New Mexico.

CASE 10337: Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 2500 feet from the North line and 660 feet from the West line (Unit E) of Section 15, Township 22 South, Range 27 East, to test the Undesignated Carlsbad-Strawn Gas Pool and Undesignated South Carlsbad-Morrow Gas Pool, the W/2 of said Section 15 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for both pools. The proposed well site is located approximately 3 miles southeast of Carlsbad, New Mexico.

CASE 10287: (Continued from May 30, 1991, Examiner Hearing.)

Application of BTA Oil Producers for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Shinnery-Queen Pool, in the open hole and perforated interval from approximately 3,972 feet to 4,285 feet in its existing Cinco de Mayo Federal Well No. 3 located 990 feet from the North and West lines (Unit D) of Section 24, Township 18 South, Range 32 East. Said well is located approximately 8.5 miles south by east of Maljamar, New Mexico.

CASE 10323: (Continued from June 13, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation or to a depth of 15,100 feet, whichever is deeper, underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 31, Township 21 South, Range 32 East, forming a non-standard 334.72-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Red Tank-Atoka Gas Pool and Undesignated Bilbrey-Morrow Gas Pool. Said 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 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 risk involved in drilling said well. Said unit is located approximately 32.75 miles west of Eunice, New Mexico.

CASE 10338: Application of David H. Arrington Oil & Gas Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a 40-acre non-standard gas spacing and proration unit in the Eumont Gas Pool comprising the SW/4 NW/4 (Unit E) of Section 10, Township 20 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox gas well location 2310 feet from the North line and 330 feet from the West line of said Section 10. Said unit is located approximately 2.5 miles south-southwest of monument, New Mexico.

CASE 10339: Application of Conoco Inc. for a high angle/horizontal directional drilling pilot project and an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle horizontal directional drilling pilot project in an existing standard 160-acre oil spacing and proration unit in the North Dagger Draw-Upper Pennsylvanian Pool comprising the NW/4 of Section 17, Township 19 South, Range 25 East. The applicant proposes to drill from a tentative unorthodox surface well location 760 feet from the North line and 2630 feet from the West line (Unit C) of said Section 17, kick-off from vertical in a westerly direction until an angle of approximately 87 degrees is achieved and continue drilling horizontally for approximately 1320 feet. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot offsetting provisions for said pool, pursuant to the Special Rules and Regulations for the North Dagger Draw-Upper Pennsylvanian Pool, as promulgated by Division Order No. R-4691, as amended. The applicant proposes to simultaneously dedicate production from the proposed well as described above with that from the existing Jenny Com. Well No. 1 located at a standard oil well location 1750 feet from the North line and 660 feet from the West line (Unit E) of said Section 17. Said unit is located approximately 7 miles northwest of Seven Rivers, New Mexico.

[REDACTED] (Continued from June 13, 1991, Examiner Hearing.)

Application of Avon Energy Corporation for amendment of Division Order Nos. R-3185, R-3185-A and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-3185, R-3185-A and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood project to 450 psi above the formation parting pressure as determined from step-rate tests for four (4) certain injection wells in the entire Grayburg-San Andres formation of the Grayburg-Jackson Pool within the project area being all or parts of Sections 17, 20, 29, and 30 of Township 17 South, Range 31 East. Said project area is located approximately 4.5 miles east of Loco Hills, New Mexico.

Dockets Nos. 19-91 and 20-91 are tentatively set for July 11, 1991 and July 25, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 27, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, or Jim Morrow, Alternate Examiners:

CASE 10334: (This case will be continued to July 11, 1991.)

Application of the United States Department of the Interior, Bureau of Land Management to plug and abandon a certain well in Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to properly plug and abandon, pursuant to the provisions of Section 70-2-38, N.M.S.A. 1978, the A. D. Raby for James T. Raby, Keys Well No. 1 located on a Federal tract of land 990 feet from the North line and 330 feet from the West line (Unit D) of Section 33, Township 6 South, Range 26 East, which is approximately 13 miles north-northeast of the Pecos River Bridge on U.S. Highway 70.

CASE 10335: (This case will be continued to July 11, 1991.)

Application of the United States Department of the Interior, Bureau of Land Management to plug and abandon a certain well in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to properly plug and abandon, pursuant to the provisions of Section 70-2-38, N.M.S.A. 1978, the Paramount Petroleum Corp. Central Totah Unit Well No. 1 located on a Federal tract of land 820 feet from the South line and 675 feet from the West line (Unit M) of Section 21, Township 29 North, Range 13 West, which is approximately 1 mile south-southeast of the San Juan Bridge on New Mexico Highway 371.

CASE 10327: (Continued from June 13, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for pool extension and the assignment of a special depth bracket oil allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to extend the horizontal limits of the Los Medanos-Delaware Pool to include the S/2 of Section 9, the N/2 and SE/4 of Section 16, and the N/2 of Section 21, all in Township 23 South, Range 31 East. Further, the applicant seeks a special depth bracket oil allowable, pursuant to Division (General) Rule 505(d), for said pool whereby the allowable would be based on the deepest perforation (rather than the shallowest as provided for in General Rule 505(a)) in its Medano "VA" State Well No. 1 located in Unit K of said Section 16. Said pool area is located approximately 5.5 miles northwest of the Lea/Eddy County Line on New Mexico State Highway No. 128.

CASE 10280: (Continued from June 13, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10336: Application of Grace Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Springs formation underlying the SE/4 SE/4 (Unit P) of Section 3, Township 20 South, Range 33 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing, which presently includes but is not necessarily limited to the Undesignated Teas-Bone Springs Pool, Undesignated Teas Yates-Seven Rivers Pool, and Undesignated West Teas Yates-Seven Rivers Pool. Said 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 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 risk involved in drilling said well. Said unit is located approximately 19 miles south-southeast of Maljamar, New Mexico.

Dockets Nos. 23-91 and 24-91 are tentatively set for August 22, 1991 and September 5, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 8, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner or Michael E. Stogner, or Jim Morrow, Alternate Examiners:

CASE 10321: (Readvertised)

Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Charolette State Unit Agreement for an area comprising 13,946.73 acres, more or less, of State, Federal and Fee lands in portions of Township 5 South, Range 20 East, which is located approximately 13 miles southwest of Mesa, New Mexico.

CASE 10280: (Continued from July 11, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10360: Application of Bird Creek Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation or to a depth of 6300 feet, whichever is deeper, underlying the NW/4 NW/4 (Unit D) of Section 22, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent, which presently includes but is not necessarily limited to the East Loving-Delaware Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location 990 feet from the North line and 760 feet from the West line of said Section 22. 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 risk involved in drilling said well. Said well is located approximately 1 mile northeast of Loving, New Mexico.

CASE 10290: (Continued from June 27, 1991, Examiner Hearing.)

Application of Avon Energy Corporation for amendment of Division Order Nos. R-3185, R-3185-A and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-3185, R-3185-A, and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project to 450 psi above the formation parting pressure as determined from step-rate tests for four (4) certain injection wells in the entire Grayburg-San Andres formation of the Grayburg-Jackson Pool within the project area being all or parts of Sections 17, 20, 29, and 30 of Township 17 South, Range 31 East. Said project area is located approximately 4.5 miles east of Loco Hills, New Mexico.

CASE 10361: Application of Seay Exploration, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Seven Rivers formation underlying Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of Section 6, Township 20 South, Range 39 East, forming a 160.04-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent, developed on 160-acre gas spacing, which presently includes but is not necessarily limited to the House-Yates Seven Rivers Gas Pool. Said 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 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 risk involved in drilling said well. Said well is located approximately 2.25 miles east-southeast of the community of Nadine, New Mexico.