

CASE 10332: Application of Veteran Exploration Inc. for a non-standard oil proration unit, a high angle/horizontal wellbore that exceeds the set-back requirements for the San Isidro (Shallow) unit area, and simultaneous dedication, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 7 of the Special Operating Rules and Regulations for the San Isidro (Shallow) Unit, as promulgated by Division Order No. R-9330, authorizing the formation of a non-standard 617.79-acre oil spacing and proration unit comprising Lots 3 and 4, S/2 NW/4, and SW/4 (W/2 equivalent) of Section 6 and the W/2 of Section 7, both in Township 20 North, Range 2 West, Rio Puerco-Mancos Oil Pool, said unit to be simultaneously dedicated to a high angle/horizontal well to be drilled from a standard surface location 660 feet from the North line and 1452 feet from the West line (Unit C) of said Section 7 and to its existing Johnson 7 Well No. 11 located at a standard location 2074 feet from the South line and 1650 feet from the West line (Unit K) of said Section 7. The applicant further requests an exception to Special Rule 8(2) allowing for a larger drilling window for the proposed horizontal wellbore such that the wellbore can be no closer than 528 feet to the outer boundary of said proration unit. Said unit is located approximately 7.5 miles west-southwest of Cuba, New Mexico.

CASE 10313: (Continued from May 30, 1991, Examiner Hearing.)

Application of BWA Oil and Gas for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pitchfork Ranch-Strawn Pool underlying the SW/4 NE/4 (Unit G) of Section 34, Township 24 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for said pool, said unit to be dedicated to its existing Moore "34" Com Well No. 1 located 1980 feet from the North and East lines of said Section 34, which was plugged and abandoned in January 1988 and was re-entered on March 30, 1990. Also to be considered will be the cost of re-entering and recompleting 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 the re-entering and recompletion of said well. Said unit is located approximately 16 miles west by north of Jal, New Mexico.

CASE 10291: (Reopened and Readvertised.)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider:

The creation of the following pool in Lea County:

South Shoe Bar-Wolfcamp Pool in Township
17 South, Range 35 East, the discovery well
to be assigned a discovery allowable of 51,240
barrels of oil to be made retroactive to the
date of completion is said pool, January 26, 1991.

The assignment of a discovery allowable of 37,930 barrels of oil to the discovery well for the Geronimo-Delaware Pool in Lea County.

CASE 10333: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain existing 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 as the Baum-Wolfcamp Pool. The discovery well is the Petroleum Production Management Inc. State 19 Well No. 1 located in Unit I of Section 19, Township 13 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM
Section 19: SE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the North Bell Lake-Delaware Pool. The discovery well is the Ray Westall Federal 30 Well No. 1 located in Unit G of Section 30, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 30: NE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Diamondtail-Delaware Pool. The discovery well is the Strate Production Company Urraca Federal Well No. 1 located in Unit N of Section 11, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 11: SW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Blinebry production and designated as the House-Blinebry Pool. The discovery well is the Seay Exploration Inc. House Well No. 1 located in Unit D of Section 13, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 13: NW/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Seven Rivers production and designated as the West Pearl-Seven Rivers Pool. The discovery well is the Hondo Oil & Gas Company West Pearl Federal Well No. 1 located in Unit L of Section 27, Township 19 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 27: SW/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the East Red Tank-Cisco Canyon Gas Pool. The discovery well is the Mercury Exploration Company Connally Federal Well No. 1 located in Unit J of Section 15, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 15: S/2

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the North Young-San Andres Pool. The discovery well is the Meridian Oil Inc. Mitchell 16 State Well No. 3 located in Unit G of Section 16, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 16: NE/4

- (h) EXTEND the Bilbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM

Section 31: E/2

Section 34: N/2

- (i) EXTEND the Brinninstool-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM

Section 2: SW/4

Section 10: NE/4

Section 11: NW/4

- (j) EXTEND the Buffalo-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 36: SE/4

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 1: NE/4

- (k) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 5: S/2

Section 7: SW/4

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 10290: (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 10327: 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 10328: Application of Sage Energy Company 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 NE 1/4 NE 1/4 (Unit A) of Section 12, Township 13 South, Range 37 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 South Gladiola-Wolfcamp Pool, Undesignated West Bronco-Devonian Pool, and Undesignated Stallion-Devonian 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 3.5 miles southeast by south of Gladiola, New Mexico.

CASE 10317: (Continued from May 30, 1991, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 Morrow formation underlying the S/2 of Section 17, Township 17 South, Range 29 East, forming a standard 320-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 Grayburg-Atoka Gas Pool, Undesignated North Grayburg-Atoka Gas Pool, and South Empire-Morrow Gas Pool, said unit 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 7 miles west by north of Loco Hills, New Mexico.

CASE 10329: Application of Mewbourne Oil Company for pool creation and special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Strawn formation comprising the S/2 SW/4 of Section 2, Township 18 South, Range 30 East, and the promulgation of special rules therefor including provisions for 80-acre spacing and designated well location requirements. Said area is located approximately 4 miles southeast by south of Loco Hills, New Mexico.

CASE 10330: Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, 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 Morrow formation underlying the following described area in Section 20, Township 19 South, Range 27 East, and in the following manner: the N/2 forming 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, which presently includes but is not limited to the Undesignated East Lake McMillan-Wolfcamp Gas Pool, Undesignated McMillan-Upper Pennsylvanian Gas Pool, Undesignated McMillan-Atoka Gas Pool, Undesignated Angell Ranch Atoka-Morrow Gas Pool, Undesignated East Lake-Morrow Gas Pool, and Undesignated North McMillan-Morrow Gas Pool and the NE/4 forming 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. Said units are to be dedicated to a single well to be drilled 990 feet from the North and East lines (Unit A) of said Section 20 being a standard gas well location for 160-acre spacing units but an unorthodox gas well location for zones developed on 320-acre spacing. 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 4 miles east-northeast of Lakewood, New Mexico.

CASE 10331: Application of Veteran Exploration Inc. to amend Division Order No. R-9330, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to modify Rule 7 of the Special Operating Rules and Regulations for the San Isidro (Shallow) Unit in the Rio Puerco-Mancos Oil Pool as promulgated by Division Order No. R-9330 allowing for the administrative approval of 640-acre oil spacing and proration units formed for the purpose of dedicating high angle/horizontal wellbores that cross Section lines. Said Unit Area is located approximately 5 to 13 miles west-southwest of Cuba, 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 10288: (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.

CASE 10290: (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.

CASE 10362: Application of Robert N. Enfield 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 Grayburg formation, or to a depth of 4500 feet, whichever is deeper, underlying the NE/4 SW/4 (Unit K) of Section 29, Township 18 South, Range 33 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 Undesignated Corbin-Yates Pool, Undesignated Buffalo-Queen Pool, and Undesignated South Corbin-Queen Pool. Said unit is dedicated to the plugged and abandoned Pennzoil United, Inc. Hudson "29" Federal Well No. 2 (T.D.-13,575 feet) located at a standard oil well location 1980 feet from the South and West lines of said Section 29. Also to be considered will be the cost of re-entering and recompleting 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 re-entering and recompleting said well. Said well is located approximately 10.5 miles south-southeast of Maljamar, New Mexico.

CASE 10363: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 25, Township 20 South, Range 24 East, 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 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 8 miles west-southwest of Seven Rivers, New Mexico.

CASE 10352: (Continued from July 25, 1991, Examiner Hearing.)

Application of Collins & Ware, 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 Morrow formation underlying the W/2 of Section 36, Township 20 South, Range 28 East, forming a standard 320-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 North Turkey Track-Cisco Gas Pool, Undesignated Palmillo Draw-Strawn Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NW/4 SW/4 of said Section 36. 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 12 miles southwest of Loco Hills, New Mexico.

CASE 10353: (Continued from July 25, 1991, Examiner Hearing.)

Application of Collins & Ware, 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 Morrow formation underlying the W/2 of Section 20, Township 22 South, Range 33 West, forming a standard 320-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 East Red Tank-Atoka Gas Pool and Undesignated Bootleg Ridge-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 11.25 miles northeast by north of the Lea/Eddy County line on State Highway No. 128.

CASE 10323: (Continued from July 25, 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.

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.

CASE 10351: Application of Stevens Operating Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its McClellan Federal Well No. 3 to be drilled 2310 feet from the South line and 330 feet from the East line (Unit D) of Section 28, Township 13 South, Range 29 East, Undesignated South Lone Wolf-Devonian Pool, the SE/4 of said Section 28 to be dedicated to said well forming a standard 160-acre oil spacing and proration unit for said pool. Said unit is located approximately 17.5 miles east by north of Hagerman, New Mexico.

CASE 10352: Application of Collins & Ware, 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 Morrow formation underlying the W/2 of Section 36, Township 20 South, Range 28 East, forming a standard 320-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 North Turkey Track-Cisco Gas Pool, Undesignated Palmillo Draw-Strawn Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NW/4 SW/4 of said Section 36. 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 12 miles southwest of Loco Hills, New Mexico.

CASE 10353: Application of Collins & Ware, 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 Morrow formation underlying the W/2 of Section 20, Township 22 South, Range 33 West, forming a standard 320-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 East Red Tank-Atoka Gas Pool and Undesignated Bootleg Ridge-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 11.25 miles northeast by north of the Lea/Eddy County line on State Highway No. 128.

CASE 10323: (Continued from July 11, 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 10344: (Continued from July 11, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 330 feet from the South line and 990 feet from the East line (Unit P) of Section 14, Township 8 South, Range 27 East, to test the Ordovician formation, the S/2 of said Section 14 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. The proposed well site is located approximately 8.25 miles southwest of Elkins, New Mexico.

CASE 10354: (This case will be dismissed.)

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 660 feet from the South line and 2630 feet from the East line (Unit O) of Section 32, Township 24 South, Range 29 East, to test the Atoka and Morrow formations, the S/2 of said Section 32 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. The proposed well site is located approximately 5.5 miles southeast of Malaga, New Mexico.

Dockets Nos. 22-91 and 23-91 are tentatively set for August 8, 1991 and August 22, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JULY 25, 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: (Continued from July 11, 1991, Examiner Hearing.)

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

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 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 lands in portions of Township 5 South, Range 20 East, which is located approximately 13 miles southwest of Mesa, New Mexico.

CASE 10345: (Readvertised and Continued from July 11, 1991, Examiner Hearing.)

Application of BHP Petroleum (Americas) Inc. 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 W/2 of Section 23, Township 29 North, Range 13 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its existing Gallegos Canyon Unit Well No. 390 located at a previously approved unorthodox coal gas well location 245 feet from the South line and 1530 feet from the West line (Unit N) of said Section 23. 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 at the southeast edge of Farmington, New Mexico.

CASE 10346: (Readvertised and Continued from July 11, 1991, Examiner Hearing.)

Application of BHP Petroleum (Americas) Inc. 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 23, Township 29 North, Range 13 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its existing Gallegos Canyon Unit Well No. 391 drilled at a standard location 975 feet from the North line and 870 feet from the East line (Unit A) of said Section 23. 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 at the southeast edge of Farmington, New Mexico.

CASE 10350: Application of Owens Petroleum 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 Abo formation underlying the E/2 SE/4 of Section 18, Township 17 South, Range 35 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently includes only the North Vacuum-Abo 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 2 miles north-northeast of Buckeye, New Mexico.

Dockets Nos. 21-91 and 22-91 are tentatively set for July 25, 1991 and August 8, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JULY 11, 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 Jim Morrow, Examiner or Michael E. Stogner, or David R. Catanach, Alternate Examiners:

CASE 10334: (Continued from June 27, 1991, Examiner Hearing. This case will be continued to July 25, 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: (Continued from June 27, 1991, Examiner Hearing. This case will be continued to July 25, 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 10323: (Continued from June 27, 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 10344: Application of Collins & Ware, Inc. for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 330 feet from the South line and 990 feet from the East line (Unit P) of Section 14, Township 8 South, Range 27 East, to test the Ordovician formation, the S/2 of said Section 14 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. The proposed well site is located approximately 8.25 miles southwest of Elkins, New Mexico.

CASE 10252: (Continued from April 4, 1991, Examiner Hearing.)

Application of Amerada Hess Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its proposed North Monument Grayburg/San Andres Unit Area (Division Case No. 10253) located in portions of Townships 19 and 20 South, Ranges 36 and 37 East, by the injection of water into the Eunice Monument Grayburg-San Andres Pool through 108 certain wells to either be recompleted or converted from producing or abandoned wells to water injection wells. Said project area surrounds Monument, New Mexico.

CASE 10280: (Continued from June 27, 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 10345: Application of BHP Petroleum (Americas) Inc. 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 W/2 of Section 23, Township 29 North, Range 13 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its existing Gallegos Canyon Unit Well No. 390 located at a previously approved unorthodox coal gas well location 245 feet from the South line and 1530 feet from the West line (Unit N) of said Section 23. 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 at the southeast edge of Farmington, New Mexico.

CASE 10346: Application of BHP Petroleum (Americas) Inc. 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 23, Township 29 North, Range 13 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its existing Gallegos Canyon Unit Well No. 391 drilled at a standard location 975 feet from the North line and 870 feet from the East line (Unit A) of said Section 23. 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 at the southeast edge of Farmington, New Mexico.

CASE 10331: (Continued from June 13, 1991, Examiner Hearing.)

Application of Veteran Exploration Inc. to amend Division Order No. R-9330, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to modify Rule 7 of the Special Operating Rules and Regulations for the San Isidro (Shallow) Unit in the Rio Puerco-Mancos Oil Pool as promulgated by Division Order No. R-9330 allowing for the administrative approval of 640-acre oil spacing and proration units formed for the purpose of dedicating high angle/horizontal wellbores that cross Section lines. Said Unit Area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 10347: Application of Warrior, Inc. for a waterflood pilot project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a one well waterflood pilot project on a portion of its Federal "D" Lease underlying the W/2 of Section 26 and the NE/4 of Section 27, Township 20 South, Range 36 East, by the injection of water into the Eumont Oil and Gas Pool, through the perforated interval from approximately 3804 feet to 3964 feet in its Federal "D" Well No. 2, located 1980 feet from the North line and 660 feet from the West line of Section 26. Applicant further seeks an administrative procedure for the expansion of the leasehold waterflood project by the drilling of new injection wells or the conversion of producers to injection within the leasehold. Said project area is located approximately 6.5 miles southwest by south of Monument, New Mexico.

CASE 10348: Application of KLM Oil & Gas for a high angle/ horizontal directional drilling pilot project, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project within a standard 640-acre oil spacing and proration unit in the West Puerto Chiquito-Mancos Oil Pool comprising all of Section 33, Township 24 North, Range 1 West. The applicant proposes to drill vertically from a well to be located on the surface at a standard oil well location in the NE/4 SW/4 (Unit K) of said Section 33 to a depth of approximately 6900 feet, evaluate the pay zone, plug back to an appropriate depth of 6137 feet and kick-off in a northeasterly direction, build angle to approximately 90 degrees in 587 feet (10 degrees per 100 feet), and continue to drill horizontally in the Mancos formation for approximately 2800 feet. The applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 1650 foot offsetting provisions for said pool, pursuant to the Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool, as promulgated by Division Order No. R-6469-B, as amended. Said unit is located approximately 6 miles north of Regina, New Mexico.

CASE 10349: (This case will be continued to August 22, 1991.)

Application of Doyle Hartman, Oil Operator, for two non-standard gas proration units, unorthodox gas well locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to rededicate acreage in the Jalmat Gas Pool and form two non-standard gas spacing and proration units in the N/2 equivalent of Section 7, Township 23 South, Range 37 East. The Stevens "B-7" Com Well No. 1 located at an unorthodox gas well location 990 feet from the North and West lines (Unit D) of said Section 7 is to be dedicated to Lot 1, N/2 NE/4 and NE/4 NW/4 (N/2 NE/4 equivalent) comprising 157.34 acres and the Stevens "B" Well No. 13 located at an unorthodox gas well location 1980 feet from the North line and 330 feet from the West line (Unit E) and Stevens "B-7" Com Well No. 2 also located at an unorthodox gas well location 1650 feet from the North and East lines (Unit G) are to be simultaneously dedicated to Lot 2, S/2 NE/4 and SE/4 NW/4 (S/2 NE/4 equivalent) of said Section 7 comprising 157.31 acres. Said area is located approximately 14 miles north of Jal, New Mexico.

CASE 10323: (Continued from August 8, 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 10375: Application of Union Oil Company of California D/B/A UNOCAL for high angle directional drilling pilot project, special operating rules therefor, unorthodox gas well location and simultaneous dedication, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a high angle directional drilling pilot project in an existing 160-acre gas spacing and proration unit in the South Blanco Pictured Cliffs Pool comprising the NE/4 of Section 20, Township 27 North, Range 6 West. The applicant proposes to utilize its existing Rincon Unit Well No. 254 located at an unorthodox surface gas well location 1419 feet from the North line and 794 feet from the East line (Unit H) of said Section 20 and penetrate the Pictured Cliffs formation with a 60 degree angled wellbore oriented in a westerly direction. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot offsetting provisions for said pool, pursuant to the Special Rules and Regulations for the South Blanco Pictured Cliffs Pool, as promulgated by Division Order No. R-8170, as amended. Further, the applicant proposes to simultaneously dedicate production from said well with production from the existing Rincon Unit Well No. 52 located at a standard gas well location 1650 feet from the North line and 990 feet from the East line (Unit H) of said Section 20, therefore any provisions adopted for said project area should contain provisions allowing for appropriate exceptions or amendments to the General Rules for the Prorated Gas Pools of New Mexico, as promulgated by said Order No. R-8170, as amended. Said unit is located approximately 10.5 miles southwest by south of Gobernador, New Mexico.

CASE 10368: (Continued from August 8, 1991, Examiner Hearing.)

Application of Johnny G. Jones for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to a depth of 13,800 feet, which correlates approximately to the base of the Strawn formation, underlying the SW/4 NE/4 (Unit G) of Section 34, Township 24 South, Range 34 East, forming 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 only the Pitchfork Ranch-Strawn Pool. Said unit is to be dedicated to its existing Moore "34" Com Well No. 1 located 1980 feet from the North and East lines of said Section 34, which was plugged and abandoned in January 1988 and was re-entered on March 30, 1990. 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 16 miles west by north of Jal, New Mexico.

CASE 10367: (Continued from August 8, 1991, Examiner Hearing.)

Application of Chevron U.S.A. Inc. for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Eumont Gas Pool for its B.V. Culp (NCT-A) Gas Com Well No. 11 to be drilled 660 feet from the North line and 2310 feet from the West line (Unit C) of Section 19, Township 19 South, Range 37 East. Said well is to be simultaneously dedicated with the B.V. Culp (NCT-A) Gas Com Well No. 10, located at a previously approved unorthodox gas well location 840 feet from the North line and 990 feet from the East line (Unit A) of said Section 19, to the existing 477.14-acre non-standard gas spacing and proration unit comprising Lots 1 and 2, NE/4, E/2 NW/4 and SE/4 of said Section 19 (established by Division Order No. R-1487) which is located approximately 1.5 miles northwest of Monument, New Mexico.

CASE 9854: (Reopened)

In the matter of Case 9854 being reopened pursuant to the provisions of Division Order No. R-9131-A/R-5353-K, which order reclassified the Diablo-Fusselman Pool in Chaves County, New Mexico, as an associated pool with special rules and regulations including provisions for 80-acre oil and 160-acre gas spacing and proration units, designated well location requirements, and established a gas/oil ratio (GOR) limitation of 6,500 cubic feet of gas per barrel of oil. All interested parties may appear and show cause why the Diablo-Fusselman Associated Pool should not be reclassified as either a gas pool or oil pool, to be governed by applicable statewide rules or to make any such recommendations regarding the proper spacing and development for said pool on a permanent basis.

CASE 10349: (Continued from July 11, 1991, Examiner Hearing.)

Application of Doyle Hartman, Oil Operator, for two non-standard gas proration units, unorthodox gas well locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to rededicate acreage in the Jalmat Gas Pool and form two non-standard gas spacing and proration units in the N/2 equivalent of Section 7, Township 23 South, Range 37 East. The Stevens "B-7" Com Well No. 1 located at an unorthodox gas well location 990 feet from the North and West lines (Unit D) of said Section 7 is to be dedicated to Lot 1, N/2 NE/4 and NE/4 NW/4 (N/2 equivalent) comprising 157.34 acres and the Stevens "B" Well No. 13 located at an unorthodox gas well location 1980 feet from the North line and 330 feet from the West line (Unit E) and Stevens "B-7" Com Well No. 2 also located at an unorthodox gas well location 1650 feet from the North and East lines (Unit G) are to be simultaneously dedicated to Lot 2, S/2 NE/4 and SE/4 NW/4 (S/2 N/2 equivalent) of said Section 7 comprising 157.31 acres. Said area is located approximately 14 miles north of Jal, New Mexico.

CASE 10358: (Continued from July 25, 1991, Examiner Hearing.)

Application of Conoco Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool comprising the SE/4 of Section 17, Township 22 South, Range 36 East, to be dedicated to the existing State "E" Well No. 2 located at a standard gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 17. Said unit is located approximately 7 miles south by west of Oil Center, New Mexico.

CASE 10362: (Continued from August 8, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 25, Township 20 South, Range 24 East, 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 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 8 miles west-southwest of Seven Rivers, New Mexico.

CASE 10366: (Continued from July 25, 1991, Examiner Hearing.)

Application of OXY USA, Inc. for an order affecting its Citgo Empire-Abo Pressure Maintenance Project and affecting ARCO Oil and Gas Company's Empire-Abo Pressure Maintenance Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to place its Citgo Empire-Abo Pressure Maintenance Project, located in portions of Section 35, Township 17 South, Range 27 East, and Section 2, Township 18 South, Range 27 East, under the provisions of Division Order A-261 (statewide oil prorationing) effective as of May 1, 1988 by rescinding Division Order R-4808 and by an exception to Rule 502 thereby establishing special assignment of allowables and adopting procedures concerning underproduction. Applicant further seeks a determination of the appropriate procedure to be applied by ARCO Oil and Gas Company in its Empire-Abo Pressure Maintenance Project, located in portions of Sections 34 and 36, Township 17 South, Range 27 East; portions of Sections 25, 26, 27 and 31 through 36, Township 17 South, Range 28 East; portions of Sections 29 and 30, Township 17 South, Range 29 East; portions of Sections 1 through 4, 8 through 11, 15 through 17, Township 18 South, Range 27 East; and portions of Sections 4, 5 and 6, Township 18 South, Range 28 East, concerning the accumulation of unused allowable under Rule 3 and Rule 5 of Order R-4549, as amended, to ensure that the correlative rights of the parties involved in these two adjoining projects are not impaired. Said Unit areas are located in an area 9 to 16 miles west by south of Loco Hills, New Mexico.

CASE 10323: (Continued from September 5, 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 10352: (Continued from September 19, 1991, Examiner Hearing.)

Application of Collins & Ware, 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 Morrow formation underlying the W/2 of Section 36, Township 20 South, Range 28 East, forming a standard 320-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 North Turkey Track-Cisco Gas Pool, Undesignated Palmillo Draw-Strawn Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NW/4 SW/4 of said Section 36. 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 12 miles southwest of Loco Hills, New Mexico.

CASE 10372: (Continued from September 19, 1991, Examiner Hearing.)

Application of Parker & Parsley Development Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the S/2 equivalent of Section 33, Township 31 North, Range 4 West, forming a standard 320-acre, more or less, spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes only the Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said Section 33. 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 15 miles west-southwest of Dulce, New Mexico.

CASE 10395: Application of Hal J. Rasmussen Operating, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Jalmat Pool in the perforated interval from approximately 3260 feet to 3269 feet in its Mobil State Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 16, Township 23 South, Range 36 East. Said location is approximately 13.5 miles north-northwest of Jal, New Mexico.

CASE 10396: Application of Yates Petroleum Corporation 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 Canyon formation underlying the following described area in Section 29, Township 19 South, Range 25 East, and in the following manner: the NW/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 oil spacing within said vertical extent and the NW/4 forming 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, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said units are to be dedicated to a single well to be drilled at a standard location in the NW/4 NW/4 of said Section 29. 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 8 miles west of Lakewood, New Mexico.

Dockets Nos. 30-91 and 31-91 are tentatively set for October 17, 1991 and October 31, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 3, 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, Alternate Examiner:

CASE 10391: 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 Bone Spring formation or 8300 feet, whichever is deeper, underlying the N/2 NE/4 of Section 21, Township 23 South, Range 28 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent, which presently includes only the Undesignated South Culebra Bluff-Bone Spring Pool. Said unit is to be dedicated to its Barkham Well No. 3 to be drilled at a standard oil well location in the NE/4 NE/4 (Unit A) of said Section 21. 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 0.5 miles northeast of Loving, New Mexico.

CASE 10392: Application of Meridian Oil, Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, a non-standard oil proration unit, and a special project oil allowable, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Mancos formation as an exception to statewide oil proration and spacing rules by forming a 640-acre non-standard proration unit consisting of all of Section 22, Township 19 North, Range 2 West, by commencing its Piedra Lumbre Well No. 1 at a standard oil well location 2005 feet from the South line and 1775 feet from the East line (Unit J) of said Section 22, drill vertically to a depth of approximately 2000 feet, kick-off in a northwesterly direction, build angle up to approximately 80 degrees and drill horizontally for approximately 3,860 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 660 feet to the outer boundary of said Section 22 and a special project allowable of 640 barrels of oil per day. Said unit is located approximately 12 miles south-southwest of Cuba, New Mexico.

CASE 10393: Application of Meridian Oil, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle gas production from the Fulcher Kutz Pictured Cliffs Pool and the Basin Fruitland Coal Gas Pool within the wellbore of its Gordon Well No. 5 located 920 feet from the South line and 1060 feet from the West line (Unit M) of Section 22, Township 27 North, Range 10 West. Said well is located approximately 1.5 miles west-northwest of the Angel Peak Recreational Area Campground.

CASE 10394: Application of Nearburg Producing Company 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 Bone Spring formation underlying the NE/4 SE/4 (Unit I) of Section 31, Township 24 South, Range 29 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. 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 well is located approximately 4.5 miles southeast of Malaga, New Mexico.

CASE 9930: (Readvertised)

Application of Union Oil Company of California to amend Division Order No. R-6375, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6375, as amended, which authorized downhole commingling of Basin-Dakota and Largo-Gallup production within the Rincon Unit Well No. 164 located 1840 feet from the South line and 1090 feet from the West line (Unit L) of Section 2, Township 26 North, Range 7 West, by reviewing and re-establishing, if necessary, the allocation of production that was set forth by the provisions of said order. The subject well is located approximately 2 miles north-northeast of the El Paso Natural Gas Company Largo Station. NOTE: This matter was heard in Division Case No. 10155 in which Order No. R-6375-B was issued. There being no need to continue this application any further, this case shall be dismissed.

Dockets Nos. 16-92 and 17-92 are tentatively set for May 28, 1992 and June 11, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - MAY 14, 1992

**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, Alternate Examiner:

CASE 10475: Application of Terra Energy Ltd., for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Lone Wolf Unit Agreement for an area comprising 2120 acres, more or less, of Federal, State and Fee lands in portions of Township 13 South, Range 29 East, which is approximately 16 miles east by north of Hagerman, New Mexico.

CASE 10476: Application of Yates Petroleum Corporation for Amendment of Division Order No. R-2178, as amended, to include a carbon dioxide injection pilot project, two unorthodox injection well locations, and to rescind Division Order No. R-7821, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-2178, which order authorized the West Loco Hills Grayburg No. 4 Sand Unit Waterflood Project located in portions of Townships 17 and 18 South, Ranges 29 and 30 East, which is centered approximately 5.5 miles southwest of Loco Hills, New Mexico, to include the injection of carbon dioxide into the Loco Hills Queen-Grayburg-San Andres Pool in a portion of said waterflood project area. The applicant proposes to utilize two injection wells to be drilled at the following unorthodox locations in Section 7, Township 18 South, Range 30 East:

- a) Well No. 9: 1980'FNL- 40'FWL (Unit E); and,
- b) Well No. 10: 2455'FSL- 50'FWL (Unit L).

Further, the applicant seeks the rescission of its previous authorization to initiate a pilot carbon dioxide injection project in this area by Order No. R-7821, dated February 21, 1985.

CASE 10145: (Reopened)

In the matter of Case 10145 being reopened pursuant to the provisions of Division Order No. R-6368-B, which order promulgated a temporary gas-oil ratio limitation of 4,000 to 1 for the Avalon-Delaware Pool in Eddy County, New Mexico. Operators may appear and present evidence and show cause why the foregoing temporary gas-oil ratio limitation should remain in effect.

CASE 10308: (Reopened)

In the matter of Case 10308 being reopened pursuant to the provisions of Division Order No. R-9514, which order established temporary special pool rules and regulations for the South Lone Wolf-Devonian Pool in Chaves County, including a provision for 160-acre spacing units. Operators may appear and present evidence and show cause why the South Lone Wolf-Devonian Pool temporary rules promulgated herein should not be rescinded.

CASE 10457: (Continued from April 16, 1992, Examiner Hearing.)

Application of Union Oil Company of California D/B/A UNOCAL, for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules for the Red Hills-Pennsylvanian Gas Pool, including a provision for 640-acre spacing units and designated well location requirements. Said pool comprises Sections 31, 32 and 33, Township 25 South, Range 33 East and Sections 4, 5, and 6, Township 26 South, Range 33 East and is located approximately 23 miles west of Jal, New Mexico.

(Continued from April 30, 1992, 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 10459: (Readvertised)

Application of Bright & Company for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an exception to the pool's gas/oil ratio limitation factor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Undesignated Rio Puerco-Mancos Oil Pool by commencing its Cuba Mesa Unit Well No. 1 at a standard surface oil well location 730 feet from the South line and 1000 feet from the West line (Unit M) of Section 35, Township 21 North, Range 2 West, drill vertically to a depth of approximately 4000 feet, kick-off in a northerly direction, build angle up to approximately 88 degrees, drill horizontally for approximately 3000 feet, and bottom said wellbore at a location approximately 1250 feet from the North line and 660 feet from the West line of said Section 35. Said well is to be dedicated to the W/2 of said Section 35 forming a standard 320-acre oil spacing and proration unit for said pool. Applicant further seeks the adoption of special operating provisions and rules within the pilot project area including a special gas/oil ratio of 1,000 to 1. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot setback from the outer boundary of the assigned spacing unit. Said unit is located approximately 3.5 miles west by south of Cuba, New Mexico.

DOCKET 15-92

DOCKET: COMMISSION HEARING - THURSDAY - MAY 21, 1992
9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

The Land Commissioner's designees for this hearing will be Jami Bailey for Case 10436 and Gary Carlson for Cases 10446 through 10449

CASE 10436: (Continued from April 9, 1992, Commission Hearing.)

Application by the Oil Conservation Division for the expansion of the San Juan Basin "Vulnerable Area" which was established by OCC Order No. R-7940 in 1985. The expansion area includes all lands defined by a contour line which is fifty (50) vertical feet above and on both sides of the centerline of drainages into the San Juan, Animas and La Plata Rivers in San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico. The application also requests amendments to OCC Order R-7940 and Order R-7940-A to prohibit all discharges to unlined pits, to require the registration of all pits outside the defined "Vulnerable Area" that receive more than five barrels per day, to establish a special protection area at Lindrieth, New Mexico and to provide a wellhead protection zone of 1000 feet surrounding all springs and fresh water wells.

CASE 10446: (De Novo)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. Lot 2 of said Section 2 is to be dedicated to said well forming a 39.81-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities. Upon application of Yates Petroleum Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10447: (De Novo)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SW/4 NE/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities. Upon application of Yates Petroleum Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

Dockets Nos. 14-92 and 15-92 are tentatively set for May 14, 1992 and May 28, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - ~~APRIL 10~~ 1992

**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, Alternate Examiner:

CASE 10459: (Reopened and Readvertised)

Application of Bright & Company for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an exception to the pool's gas/oil ratio limitation factor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Undesignated Rio Puerco-Mancos Oil Pool by commencing its Cuba Mesa Unit Well No. 1 at a standard surface oil well location 730 feet from the South line and 1000 feet from the West line (Unit M) of Section 35, Township 21 North, Range 2 West, drill vertically to a depth of approximately 4000 feet, kick-off in a northerly direction, build angle up to approximately 88 degrees, drill horizontally for approximately 3000 feet, and bottom said wellbore at a location approximately 1250 feet from the North line and 660 feet from the West line of said Section 35. Said well is to be dedicated to the W/2 of said Section 35 forming a standard 320-acre oil spacing and proration unit for said pool. Applicant further seeks the adoption of special operating provisions and rules within the pilot project area including a special gas/oil ratio of 1,000 to 1. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot setback from the outer boundary of the assigned spacing unit. Said unit is located approximately 3.5 miles west by south of Cuba, New Mexico.

~~CASE 10459:~~ (Readvertised and this case will be continued to May 14, 1992.)

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 3344: (Reopened and continued from April 2, 1992, Examiner Hearing.)

Application of Texaco Inc. for amendment of Division Order No. R-3007, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-3007, dated December 3, 1965, which authorized its West Vacuum Unit Agreement covering 2000 acres, more or less, of state lands in portions of Townships 17 and 18 South, Range 34 East. The applicant at this time seeks to revise the definition of the "Unitized Formation" as originally incorporated in said agreement. Said unit is centered approximately 3 miles west southwest of Buckeye, New Mexico.

CASE 10469: Application of Nearburg Producing Company for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to drill its Emerald "32" Federal Well No. 1 at an unorthodox oil well location 2007 feet from the North line and 1470 feet from the West line (Unit F) of Section 32, Township 24 South, Range 29 East, to test the Delaware formation. The SE/4 NW/4 of said Section 32 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 5 miles southeast of Malaga, New Mexico.

CASE 10470: Application of Maralo, 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 Wolfcamp formation underlying the S/2 SE/4 of Section 13, Township 18 South, Range 32 East, forming a standard 80-acre oil spacing and proration unit for any and all formations spaced on 80-acre spacing within said vertical extent, which presently includes only the South Corbin-Wolfcamp Pool. Said unit is to be dedicated to a well located at a standard oil well location is the SE/4 SE/4 (Unit P) of said Section 13. 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 8.25 miles south-southeast of Maljamar, New Mexico.

CASE 10471: Application of Southwest Royalties, 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 Canyon formation underlying the NE/4 of Section 17, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw-Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled at a standard 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 6.5 miles northwest of Sevenrivers, New Mexico.

CASE 10467: (Continued from April 16, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from a depth of 5000 feet below the surface to the base of the Morrow formation underlying the N/2 of Section 27, Township 18 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for any and all formations spaced on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Red Lake Atoka-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the North line and, either, 1310 feet or 1330 feet from the East line (Unit A or B) of said Section 27. 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 7.5 miles south by east of Riverside, New Mexico.

CASE 10472: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from a depth of 5000 feet below the surface to the base of the Morrow formation underlying the N/2 of Section 27, Township 18 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for any and all formations spaced on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Red Lake Atoka-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 7.5 miles south by east of Riverside, New Mexico.

CASE 10468: (Continued from April 16, 1992, Examiner Hearing.)

Application of Ultramar Oil and Gas Limited 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 Morrow formation underlying the E/2 of Section 16, Township 21 South, Range 35 East, forming a standard 320-acre gas spacing and proration unit for any and all formations spaced on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the South Osudo-Morrow Gas Pool. Said unit is to be dedicated its existing P. Q. Osudo State Com Well No. 1, which was drilled in 1989 at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 16. 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 6.5 miles west by south of Oil Center, New Mexico.

CASE 10473: Application of Nearburg Exploration Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying the N/2 of Section 27, Township 18 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for any and all formations spaced on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Red Lake Atoka-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the North line and 1330 feet from the East line (Unit B) of said Section 27. 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 7.5 miles south by east of Riverside, New Mexico.