

EXAMINER HEARING - THURSDAY - AUGUST 22, 1991

CASE 10369: (Continued from August 8, 1991, Examiner Hearing.)

Application of ARCO Oil & Gas Company for an order concerning its Empire-Abo Pressure Maintenance Project and the OXY USA, Inc. Citgo Empire-Abo Pressure Maintenance Project and to amend Division Order No. R-4808, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order from the Division determining the appropriate procedure to be applied by OXY U.S.A., Inc. in its Citgo Empire-Abo Unit to make up its current overproduction and to assure its full compliance with all Division Orders approving this Unit and operations therein, and the amendment of Division Order No. R-4808 to assure that future production from the Citgo Empire-Abo Unit is limited to a rate equal to the reservoir voidage occurring in the Empire-Abo Unit. Said unit areas are located in an area 9 to 16 miles west by south of Loco Hills, New Mexico.

CASE 10376: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order extending certain existing pools in McKinley, Rio Arriba, Sandoval, and San Juan Counties, New Mexico:

- (a) EXTEND the Bisti Lower-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 18: NE/4

- (b) EXTEND the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 9 WEST, NMPM

Section 9: N/2

Section 10: W/2 NW/4

- (c) EXTEND the Blanco-Pictured Cliffs Pool in San Juan and Rio Arriba Counties, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM

Section 8: E/2

Section 9: S/2

Section 10: SW/4

Section 16: All

Section 17: E/2

Section 21: W/2

- (d) EXTEND the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 7: W/2

Section 18: All

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM

Section 10: E/2

Section 11: E/2

Section 12: All

Section 13: All

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 16: SW/4

Section 17: SE/4

Section 18: All

Section 20: NE/4

Section 21: All

Section 26: All

Section 27: All

Section 34: All

Section 35: All

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 13: All

- (e) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba, San Juan and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM

Section 21: SW/4 NE/4, NW/4, NE/4, and SE/4 NE/4

- (f) EXTEND the Ojo Encino-Entrada Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 20 NORTH, RANGE 5 WEST

Section 21: SE/4 SW/4

- (g) EXTEND the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 9 WEST

Section 13: SE/4

- (h) EXTEND the North Pinon-Fruitland Sand Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 12 WEST

Section 30: NE/4

DOCKET NO. 24-91

DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 29, 1991

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

(The Land Commissioner's designee for this hearing will be Gary Carlson)

CASE 10377: The Oil Conservation Division is calling a hearing on its own motion to accept nominations and other evidence and information to assist in determining October 1991 through March 1992 gas allowables for the prorated gas pools in New Mexico. Fourteen of the prorated gas pools are in Lea, Eddy, and Chaves Counties in Southeast New Mexico and four pools are in San Juan, Rio Arriba, and Sandoval Counties in Northwest New Mexico. Amendments to the Gas Proration Rules approved by Commission Order No. R-8170-H in December 1990 provide for allowables to be established for 6-month allocation periods beginning in April and October of each year. Information concerning preliminary allowable estimates for the October-March period is being distributed with OCD Memorandum dated August 5, 1991.

CASE 10226: (De Novo - Continued from June 12, 1991, Commission Hearing.)

Application of Bird Creek Resources for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the East Loving-Delaware Pool including a provision for a limiting gas-oil ratio of 5000 cubic feet of gas per barrel of oil. Said pool is located in Township 23 South, Range 28 East, being approximately 2 miles east of Loving, New Mexico. Upon application of Bird Creek Resources, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10251: (De Novo - Continued from June 12, 1991, Commission Hearing.)

Application of Kaiser-Francis Oil Company for a pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of gas from the Delaware formation comprising the SE/4 of Section 8, Township 21 South, Range 26 East. Said area is located approximately 7 miles northwest of Carlsbad, New Mexico. Upon application of Kaiser-Francis Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10344: (Continued from July 25, 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 10364: Application of Harvey E. Yates 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 Grayburg formation underlying the NW/4 NW/4 (Unit D) of Section 32, 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 spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Buffalo-Yates Pool and Buffalo-Queen 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 well is located approximately 11 miles south-southeast of Maljamar, New Mexico.

CASE 10365: Application of Harvey E. Yates 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 Grayburg formation underlying the NW/4 NE/4 (Unit B) of Section 32, 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 spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Buffalo-Yates Pool and Undesignated Buffalo-Queen 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 well is located approximately 11 miles south-southeast of Maljamar, New Mexico.

CASE 10366: Application of Chevron U.S.A. Inc. to amend Division Order No. R-5549, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-5549, which authorized a 480-acre non-standard Eumont gas spacing and proration unit comprising the NE/4 and S/2 of Section 22, Township 21 South, Range 36 East and the simultaneous dedication of said Eumont Gas Pool production to the Harry Leonard (NCT-A) Well Nos. 3, 7, and 12 located in Units B, M, and P of said Section 22, by granting approval for a fourth well to said unit to be drilled at an unorthodox gas well location 2070 feet from the South line and 1970 feet from the East line (Unit J) of said Section 22. Said unit is located approximately 3 miles east of Oil Center, New Mexico.

CASE 10367: 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 10368: 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 10369: Application of ARCO Oil & Gas Company for an order concerning Empire-Abo Pressure Maintenance Project and the OXY USA, Inc. Citgo Empire-Abo Pressure Maintenance Project and amend Division Order No. R-4808, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order from the Division determining the appropriate procedure to be applied by OXY U.S.A., Inc. in its Citgo Empire-Abo Unit to make up its current overproduction and to assure its full compliance with all Division Orders approving this Unit and operations therein, and the amendment of Division Order No. R-4808 to assure that future production from the Citgo Empire-Abo Unit is limited to a rate equal to the reservoir voidage occurring in the Empire-Abo Unit. Said unit areas are located in an area 9 to 16 miles west by south of Loco Hills, New Mexico.