

Dockets Nos. 34-91 and 35-91 are tentatively set for November 21, 1991 and December 5, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 7, 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, Alternate Examiner:

**CASE 10395:** (Continued from October 31, 1991, Examiner Hearing.)

Application of Hai 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 Jali, New Mexico.

**CASE 10409:** Application of Stevens Operating Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 2766 feet to 3130 feet and in the open hole interval from approximately 3205 feet to 3300 feet in the McClellan Oil Corporation, McClellan Federal Well No. 1, located 660 feet from the South and East lines (Unit P), Section 27, Township 13 South, Range 29 East. Said location is approximately 18.3 miles east by north of Hagerman, New Mexico.

**CASE 10399:** (Continued from October 17, 1991, Examiner Hearing.)

Application of Meridian Oil, Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, non-standard oil proration unit, special project allowable and increase in gas-oil ratio, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Rio Puerco-Mancos Oil Pool by commencing its San Isidro Wash Well No. 1 at a standard surface oil well location tentatively selected in the NW/4 NW/4 (Unit D) of Section 21, Township 20 North, Range 3 West, drill vertically to a depth of approximately 3,000 feet, kick-off in a southeasterly direction, build angle up to approximately 80 degrees and then drill horizontally for approximately 4,000 feet. Applicant, further seeks the adoption of special operating provisions and rules within the pilot project area including a special project allowable of up to 640 BOPD with a GOR of 1,000 to 1, and an unorthodox well location exception. Applicant further seeks the flexibility to dedicate the N/2 of said Section 21 to the well as a standard 320-acre spacing unit or, in the alternative, the approval of all of Section 21 as a 640-acre non-standard spacing unit. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot setback from the outer sides of the assigned spacing unit. Said unit is located approximately 12 miles west-southwest of Cuba, New Mexico.

**CASE 10391:** (Continued from October 31, 1991, Examiner Hearing.)

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 10410:** 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 base of the Abo formation to the base of the Morrow formation underlying the following described area in Section 16, Township 18 South, Range 27 East, and in the following manner: the W/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Scoggin Draw-Atoka Gas Pool, Undesignated Red Lake-Atoka-Morrow Gas Pool, Scoggin Draw-Morrow Gas Pool, and Undesignated Red Lake-Pennsylvanian Gas Pool; the SW/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; and, the SE/4 SW/4 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. Said units are to be dedicated to a single well to be drilled at an unorthodox gas well location 990 feet from the South line and 1980 feet from the West line (Unit N) 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 area is located approximately 6 miles south of Riverside, New Mexico.

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CASE 10411: Application of Pantera Energy 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 Morrow formation underlying the following described area in Section 22, Township 18 South, Range 28 East, and in the following manner: the S 2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Palmillo Draw-Atoka Gas Pool and Undesignated North Turkey Track-Morrow Gas Pool; the SE/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; the S 2 SE 4 forming an 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 Travis-Upper Pennsylvanian Pool; and, the SW 1/4 SE 4 forming a 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 Artesia Queen-Grayburg-San Andres Pool. Said units are to be dedicated to a single well to be drilled at a standard location 660 feet from the South line and 1980 feet from the East line (Unit O) 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 area is located approximately 12 miles southwest by west of Loco Hills, New Mexico.

CASE 10386: (Reopened and continued from October 31, 1991, Examiner Hearing.)

Application of McKay Oil 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 N/2 of Section 25, Township 20 South, Range 24 East, forming a standard 320-acre oil or 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 unit is located approximately 8 miles west-southwest of Seven Rivers, New Mexico. This matter is being reopened at this time to consider additional testimony regarding an assignment of overriding royalty interest within the subject area.

CASE 10363: (Reopened and continued from October 31, 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 unit is located approximately 8 miles west-southwest of Seven Rivers, New Mexico. This matter is being reopened at this time to consider additional testimony regarding an assignment of overriding royalty interest within the subject area.