

CASE 10532: **Application of Nearburg Producing Company for an unorthodox oil well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 2080 feet from the South line and 1400 feet from the West line (Unit K) of Section 32, Township 24 South, Range 29 East, to test the Undesignated Willow Lake-Delaware Pool. The NE/4 SW/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 5.25 miles southeast of Malaga, New Mexico.

CASE 10533: **Application of BTA Oil Producers for directional drilling and an unorthodox bottomhole gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authority to deviate from its existing Indian 9201 JV-P Well No. 1 located 1650 feet from the North and East lines (Unit G) of Section 20, Township 22 South, Range 23 East, and recompleat said well in the Indian Basin-Upper Pennsylvanian Gas Pool at a new unorthodox bottomhole location within 50 feet of a point 1300 feet from the North and East lines of said Section 20. Said wellsite is located approximately 7 miles South-southwest of the Marathon Oil Company's Indian Basin Gas Plant.

CASE 10534: **Application of American Hunter Exploration, Ltd. for a pressure maintenance project, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the West Puerto Chiquito-Mancos Oil Pool by the reinjection of gas into the Niobrara member of the Mancos shale through its existing Jicarilla 2-A Well No. 1, surface location 442 feet from the North line and 1177 feet from the East line (Unit A) of Section 2, Township 27 North, Range 1 West, which is approximately 9.5 miles west of El Vado, New Mexico.

CASE 10535: **Application of American Hunter Exploration, Ltd. for an unorthodox oil well location, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks an exception to RULE 4 of the Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool, as promulgated by Division Order No. R-6469-B, as amended, for a well to be drilled at an unorthodox oil well location 1000 feet from the North line and 1300 feet from the East line (Unit A) of Section 2, Township 27 North, Range 2 West, Undesignated West Puerto Chiquito-Mancos Oil Pool, all of said Section 2 to be dedicated to said well forming a standard 640-acre oil spacing and proration unit for said pool. Said unit is located approximately 15 miles west of El Vado, New Mexico.

CASE 10536: **Application of American Hunter Exploration, Ltd. for an unorthodox oil well location, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks an exception to RULE 4 of the Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool, as promulgated by Division Order No. R-6469-B, as amended, for a well to be drilled at an unorthodox oil well location 1000 feet from the South line and 2250 feet from the West line (Unit N) of Section 24, Township 27 North, Range 2 West, Undesignated West Puerto Chiquito-Mancos Oil Pool, all of said Section 24 to be dedicated to said well forming a standard 640-acre oil spacing and proration unit for said pool. Said unit is located approximately 15 miles west by south of El Vado, New Mexico.

CASE 10537: **Application of American Hunter Exploration, Ltd. for directional drilling, an unorthodox bottomhole oil well location, and a non-standard oil proration unit, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks approval to directionally drill from a surface location 830 feet from the North line and 1075 feet from the East line (Unit A) of irregular Section 5, Township 27 North, Range 1 West, to an unorthodox bottomhole oil well location in the West Puerto Chiquito-Mancos Oil Pool within 50 feet of a point 660 feet from the North line and 1900 feet from the East line (Unit B) of said Section 5. All of said Section 5 is to be dedicated to said well forming a non-standard 655.48-acre oil spacing and proration unit. Said unit is located approximately 12.5 miles west of El Vado, New Mexico.

CASE 10538: **Application of American Hunter Exploration, Ltd. for an unorthodox oil well location and a non-standard oil proration unit, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks an exception to RULE 4 of the Special Rules and Regulations for the Gavilan-Mancos Oil Pool, as promulgated by Division Order No. R-7407, as amended, for a well to be drilled at an unorthodox oil well location 500 feet from the North line and 1450 feet from the East line (Unit B) of irregular Section 28, Township 27 North, Range 2 West, Undesignated Gavilan-Mancos Oil Pool, all of said Section 28 to be dedicated to said well forming a non-standard 430.56-acre oil spacing and proration unit for said pool. Said unit is located approximately 18 miles west by south of El Vado, New Mexico.

CASE 10525: (Continued from August 6, 1992, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Eddy and Chaves Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Bandana Point-Morrow Gas Pool. The discovery well is the Azotea AJZ Federal Well No. 1 located in Unit E of Section 9, Township 23 South, Range 24 East, NMPM.

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM

Section 9: W/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the South Bandana Point-Strawn Gas Pool. The discovery well is the Azotea AJZ Federal Well No. 1 located in Unit E of Section 9, Township 23 South, Range 24 East, NMPM.

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM

Section 9: W/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Yates production and designated as the South Burton-Yates Gas Pool. The discovery well is the State Well No. 1 located in Unit M of Section 20, Township 20 South, Range 29 East, NMPM.

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM

Section 21: SW/4

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Cottonwood Spring-Upper Pennsylvanian production. The discovery well is the Chelsi Well No. 1 located in Unit J of Section 2, Township 26 South, Range 25 East, NMPM.

TOWNSHIP 26 SOUTH, RANGE 25 EAST, NMPM

Section 2: E/2

- (e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the South Golden Lane-Delaware production. The discovery well is the Big Eddy Unit Well No. 113 located in Unit K of Section 8, Township 21 South, Range 29 East, NMPM.

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Saladar-Upper Pennsylvanian Gas Pool. The discovery well is the Eddy FV State Com Well No. 1 located in Unit H of Section 25, Township 20 South, Range 27 East, NMPM.

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 25: E/2

- (g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the North San Lorenzo-Bone Spring Pool. The discovery well is the Salt Draw Federal Com Well No. 1 located in Unit G of Section 11, Township 25 South, Range 28 East, NMPM.

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM

Section 11: NE/4

- (h) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the West Sand Draw Delaware Pool. The discovery well is the Mobil Federal Well No. 1 located in Unit J of Section 29, Township 23 South, Range 31 East, NMPM.

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 29: SE/4

CASE 10549: **Application of Greenhill Petroleum Corporation for waterflood expansion, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authority to expand its Lovington-Paddock Unit Waterflood Project, authorized by Division Order No. R-3124, by converting its Lovington Paddock Unit Well No. 9 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 30 and its Lovington Paddock Unit Well No. 10 located 660 feet from the North line and 2440 feet from the East line (Unit B) of Section 31, both in Township 16 South, Range 37 East, Lovington Paddock Unit, Lovington-Paddock Pool, from producing oil wells to water injection wells. Said wells are both located approximately 5.5 miles southeast of Lovington, New Mexico.

CASE 10550: **Application of R & G Drilling Company for an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to recomplete its existing Schlosser Well No. 16 from the West Kutz-Pictured Cliffs Pool to the Basin-Fruitland Coal Gas Pool at an unorthodox coal gas well location 1180 feet from the South line and 800 feet from the East line (Unit P) of Section 10, Township 27 North, Range 11 West, the S/2 of said Section 10 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal Gas Pool. Said unit is located approximately 8 miles south of Bloomfield, New Mexico.

CASE 10537: **(Readvertised)**

Application of American Hunter Exploration, Ltd. for an unorthodox oil well location and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 610 feet from the North line and 2110 feet from the East line (Unit B) of irregular Section 5, Township 27 North, Range 1 West, to test the West Puerto Chiquito-Mancos Oil Pool. All of said Section 5 is to be dedicated to said well forming a non-standard 655.48-acre oil spacing and proration unit. Said unit is located approximately 12.5 miles west of El Vado, New Mexico.

CASE 10538: **(Readvertised)**

Application of American Hunter Exploration, Ltd. for an unorthodox oil well location and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to RULE 4 of the Special Rules and Regulations for the Gavilan-Mancos Oil Pool, as promulgated by Division Order No. R-7407, as amended, for a well to be drilled at an unorthodox oil well location no closer than 330 feet from the North line nor closer than 1400 feet from the East line (Unit B) of irregular Section 28, Township 27 North, Range 2 West, Undesignated Gavilan-Mancos Oil Pool, all of said Section 28 to be dedicated to said well forming a non-standard 430.56-acre oil spacing and proration unit for said pool. Said unit is located approximately 18 miles west by south of El Vado, New Mexico.

CASE 10540: **(Continued from September 3, 1992, Examiner Hearing.)**

Application of American Hunter Exploration, Ltd. for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 2480 feet from the South line and 915 feet from the West line (Unit J) of irregular Section 6, Township 27 North, Range 2 West, to test the Mancos formation. The NW/4 SE/4 of said Section 6 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 19 miles west of El Vado, New Mexico.

CASE 10483: **(Continued from August 20, 1992, Examiner Hearing.)**

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 underlying the SE/4 NW/4 (Unit F) in all formations developed on 40-acre spacing from the surface to the base of the Strawn formation in Section 33, Township 15 South, Range 36 East, said unit 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 area is located approximately one-half mile southeast of the junction of U.S. Highway 82 and New Mexico No. 18.

CASE 10541: **(Continued from September 3, 1992, Examiner Hearing.)**

The consolidated application of Bird Creek Resources, Fortson Oil Company and Ray Westall Operating, Inc. for special pool rules, Eddy County, New Mexico. The applicants, in the above-styled cause, seek an order promulgating special rules for the East Herradura Bend-Delaware Pool including a provision for a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil. Said pool is located in the southeastern portion of Township 22 South, Range 28 East and the northeastern portion of Township 23 South, Range 28 East, being approximately 5 miles northeast by north of Loving, New Mexico.

Dockets Nos. 32-92 and 33-92 are tentatively set for October 1, 1992 and October 15, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 17, 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 10529: (Continued from September 3, 1992, Examiner Hearing.)

Application of Pogo Producing Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 34, Township 22 South, Range 32 East, to test the Morrow formation, the N/2 of said Section 34 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. The proposed well site is located approximately 8.75 miles north-northeast of New Mexico State Highway No. 128 at the Lea/Eddy County Line.

CASE 10544: (Readvertised)

Application of Yates Petroleum Corporation 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 North line and 860 feet from the West line (Unit D) of Section 23, Township 22 South, Range 23 East, to test all formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation. Said well is to be either dedicated to the N/2 of said Section 23 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent spaced on 320-acre spacing or all of said Section 23 forming a standard 640-acre gas spacing and proration unit for the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool. Said area is located approximately 6 miles south of the Marathon Oil Company's Indian Basin Gas Plant.

CASE 10528: (Continued from September 3, 1992, 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 from the surface to the base of the Canyon formation, underlying the SE/4 of Section 20, Township 19 South, Range 25 East, forming a 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 only the Undesignated North Dagger Draw-Upper 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6 miles northwest of Seven Rivers, New Mexico.

CASE 10542: (Continued from September 3, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 1650 feet from the West line (Unit F) of Section 30, Township 18 South, Range 25 East, for any and all formations and/or pools from the surface to the base of the Morrow formation being developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Penasco Draw San Andres-Yeso Associated Pool, Penasco Draw-Permo Pennsylvanian Gas Pool, Undesignated Penasco Draw-Atoka Gas Pool, and Penasco Draw-Morrow Gas Pool, Lots 1 and 2, the NE/4, and E/2 NW/4 (N/2 equivalent) of said Section 30 to be dedicated to said well forming a standard 322.36-acre gas spacing and proration unit. The proposed well site is located approximately 11 miles southwest of Artesia, New Mexico.

CASE 10543: (Continued from September 3, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 2, Township 19 South, Range 24 East, to test all formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation which are spaced on 320-acre spacing, Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 2 are to be dedicated to said well forming a standard 321.08-acre gas spacing and proration unit. Further, the applicant seeks an exception to Division General Rule 104.C(2) to allow the N/2 equivalent of said Section 2 to be simultaneously dedicated in the Penasco Draw-Permo Pennsylvanian Gas Pool to the proposed well and to the existing Irish Hills "KW" State Well No. 2 located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 2. Said unit is located approximately 11.5 miles west by south at Seven Rivers, New Mexico.