

Dockets Nos. 33-92 and 34-92 are tentatively set for October 15, 1992 and October 29, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 1, 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 10528: (Continued from September 17, 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 10562: Application of Siete Oil & Gas Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the Parkway-Delaware Pool including a provision for a gas-oil ratio limitation of 5000 cubic feet of gas per barrel of oil. Said pool is located in portions of Townships 19 and 20 South, Ranges 29 and 30 East, being approximately 14 miles south by west of Loco Hills, New Mexico.

CASE 10563: Application of Great Western Drilling Company for compulsory pooling and a non-standard gas proration unit, 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 all of irregular Section 8, Township 32 North, Range 11 West, forming a non-standard 336-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its existing J. E. Decker Well No. 11 located at a standard coal gas well location 910 feet from the South line and 955 feet from the West line (Unit M) of said Section 8. This application is brought pursuant to those provisions of Division Order No. R-9277 in Case No. 10048 allowing the applicant to apply to the Division for a force pooling order addressing the issues for 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 bounded to the north by the New Mexico/Colorado stateline of Mile Corner No. 274.

CASE 10564: Application of Yates Petroleum Corporation to qualify a certain carbon dioxide injection pilot project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pursuant to the Rules and Procedures for Qualifications of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying its Loco Hills CO₂/Water Injection Pilot Project (authorized by Division Order No. R-2178-D), located in portions of Section 12, Township 18 South, Range 29 East and Section 7, Township 18 South, Range 30 East, Loco Hills Queen-Grayburg-San Andres Pool, West Loco Hills Grayburg No. 4 Sand Unit, for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project area is located approximately 5.5 miles southwest of Loco Hills, New Mexico.

CASE 10540: (Continued from September 17, 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 10541: (Continued from September 17, 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.

CASE 10565: Application of Conoco Inc. for directional drilling and an unorthodox bottomhole gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to directionally drill its proposed Preston Federal Well No. 6, to be located at a surface location 990 feet from the North line and 460 feet from the East line (Unit H) of Section 35, Township 20 South, Range 24 East, in such a manner as to bottom the well in the Undesignated Cemetery-Morrow Gas Pool at an unorthodox gas well location in the NE/4 NE/4 of said Section 35 and provided said wellbore is no closer than 660 feet from the North and East lines of said Section 35, the N/2 of the section to be dedicated forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 9 miles west-southwest of Seven Rivers, New Mexico.

CASE 10566: (This case will be dismissed.)

Application of Meridian Oil, Inc. for infill drilling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 4 of the Special Rules and Regulations for the Basin Fruitland Coal Gas Pool, as promulgated by Division Order No. R-8768, as amended, authorizing infill drilling in the Basin Fruitland Coal Gas Pool in the E/2 equivalent of Section 15, Township 30 North, Range 8 West. The applicant proposes to simultaneously dedicate coal gas production from its existing Howell "K" Well No. 300 located at a previously approved unorthodox coal gas well location 1990 feet from the South line and 1175 feet from the East line (Unit I) of said Section 15 and to a well to be drilled at an unorthodox coal gas well location 695 feet from the North line and 840 feet from the East line (Unit A) of said Section 15. Lots 1 through 4 and the NE/4 (E/2 equivalent) of said Section 15, comprising 312.42 acres, is to be the designated spacing unit for both wells. Said unit is located 1/2 mile north of the landing strip atop Martinez Mesa.