

CASE 10574: (Continued from December 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, at approximately 8,200 feet, underlying the following described acreage in Section 14, Township 20 South, Range 24 East, and in the following described manner: the N/2 to form a single standard 320-acre 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 necessarily limited to the South Dagger Draw-Upper Pennsylvanian Associated Pool); the NE/4 and NW/4 to form two standard 160-acre gas spacing and proration units for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NW/4 NE/4 and SW/4 NW/4 to form two standard 40-acre oil spacing and proration units for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. The proposed 320-acre unit is to be dedicated to either a single well to be drilled at a standard location in Unit B or Unit E or to both wells to be simultaneously dedicated to the 320-acre unit. Further the 160-acre gas unit comprising the NE/4 and the 40-acre oil unit comprising the NW/4 NE/4 are to be dedicated to the proposed well to be drilled in Unit B. The 160-acre gas unit comprising the NW/4 and the 40-acre oil unit comprising the SW/4 NW/4 are to be dedicated to the proposed well to be drilled in Unit E. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 7.5 miles west by south of Seven Rivers, New Mexico.

CASE 10638: **Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico.** Applicant seeks approval of the Bandana Unit Agreement for an area comprising 4160 acres, more or less, of Federal and State lands in Sections 19, 20, 21, 28, 32, 33 and 34, Township 22 South, Range 24 East, which is centered approximately 2 miles southeast of Lone Butte.

CASE 10622: (Continued from December 3, 1992, Examiner Hearing.)

Application of Sea Coast, Inc. for compulsory pooling, San Juan 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 in Section 6, Township 29 North, Range 12 West, and in the following described manner: Lots 6 and 7, the E/2 SW/4 and SE/4 (S/2 equivalent) to form a standard 317.98-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 only the Basin-Fruitland Coal (Gas) Pool and Lots 6 and 7 and the E/2 SW/4 (SW/4 equivalent) to form a standard 157.98-acre gas 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 Crouch Mesa-Fruitland Sand Pool, Undesignated West Kutz-Fruitland Sand Pool and Fulcher Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single 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, and a charge for risk involved in drilling said well. The applicant also requests that Marlex Resources, Inc. be designated operator of the well. Said area is located on the east side of Farmington, New Mexico.

CASE 10623: (Continued from December 3, 1992, Examiner Hearing.)

Application of Sea Coast, Inc. for compulsory pooling, San Juan 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 in Section 7, Township 29 North, Range 12 West, and in the following described manner: Lots 5 through 9, the N/2 NE/4, and the NW/4 SE/4 (E/2 equivalent) to form a standard 321.45-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 only the Basin-Fruitland Coal (Gas) Pool and Lots 5 and 6 and the N/2 NE/4 (NE/4 equivalent) to form a standard 160.46-acre gas 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 West Kutz-Fruitland Sand Pool and Fulcher Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single 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, and a charge for risk involved in drilling said well. The applicant also requests that Marlex Resources, Inc. be designated operator of the well. Said area is located on the east end of Farmington, New Mexico.

CASE 10624: (Continued from December 3, 1992, Examiner Hearing.)

Application of Sea Coast, Inc. for compulsory pooling, San Juan 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 in Section 8, Township 29 North, Range 12 West, and in the following described manner: Lots 1 through 4, 9 and 10, and the N/2 NW/4 (W/2 equivalent) to form a standard 325.77-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 only the Basin-Fruitland Coal (Gas) Pool and Lots 3, 4, 9 and 10 (SW/4 equivalent) to form a standard 164.44-acre gas 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 Crouch Mesa-Fruitland Sand Pool, Undesignated West Kutz-Fruitland Sand Pool and Undesignated Fulcher Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single 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, and a charge for risk involved in drilling said well. The applicant also requests that Marlex Resources, Inc. be designated operator of the well. Said area is located on the east end of Farmington, New Mexico.

CASE 10625: (Continued from December 3, 1992, Examiner Hearing.)

Application of Sea Coast, Inc. for compulsory pooling, San Juan 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 in Section 8, Township 29 North, Range 12 West, and in the following described manner: Lots 5 through 8 and the NE/4 (E/2 equivalent) to form a standard 322.86-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 only the Basin-Fruitland Coal (Gas) Pool and the NE/4 to form 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 (which presently includes but is not necessarily limited to the Undesignated Crouch Mesa-Fruitland Sand Pool, Undesignated West Kutz-Fruitland Sand Pool and Undesignated Fulcher Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single 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, and a charge for risk involved in drilling said well. The applicant also requests that Marlex Resources, Inc. be designated operator of the well. Said area is located on the east end of Farmington, New Mexico.

CASE 10639: **Application of American Hunter Exploration for authorization to flare gas as an exception to Rule 306 and for the establishment of special allowable rates, Rio Arriba County, New Mexico.** Applicant seeks an order authorizing it to flare gas from its Jicarilla 3-F Oil Well No. 1 located in the SE/4 NW/4 of Section 3, Township 27 North, Range 1 West, as an exception to Division Rule 306, for a maximum period of six months at a maximum rate of the lower of 800 barrels of oil per day or 800 MCF of gas per day, up to a maximum cumulative volume of 146 MMCF of gas flared or 146 thousand barrels of oil produced while flaring gas. This well is governed by rules for the West Puerto Chiquito-Mancos Oil Pool, and this location is approximately 2.5 miles southwest of Burford Lake.

CASE 10640: **Application of Arapaho Oil & Gas for salt water disposal, Eddy County, New Mexico.** Applicant seeks authority to dispose of produced salt water into the San Andres formation, Cave Grayburg-San Andres Pool, through the perforated interval from approximately 2449 feet to 2464 feet, in its Cave State Well No. 3 located 1650 feet from the North line and 330 feet from the West line (Unit E) of Section 4, Township 17 South, Range 29 East. This location is approximately 18 miles east of Artesia, New Mexico.

CASE 10641: **Application of Yates Drilling Company for the expansion of the Cactus Queen (Voluntary) Unit Area and for the amendment of Division Order No. R-9075-A, Chaves County, New Mexico.** Applicant seeks an amendment of Division Order No. R-9075-A which approved the voluntary unitization (for the purpose of establishing a secondary recovery project) of the Queen formation underlying the Cactus Queen Unit Area, which encompasses 320 acres, more or less, in portions of Sections 27 and 34, Township 12 South, Range 31 East, Southeast Chaves Queen Gas Area Associated Pool, to include at this time an additional 320 acres, more or less, comprising the SW/4 NE/4, S/2 NW/4, SW/4 and NW/4 SE/4 of said Section 34. Said expansion area is located approximately 12 miles southwest by south of Caprock, New Mexico.

- CASE 10620:** Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Undesignated Ingle Wells-Bone Spring Pool oil production with Undesignated West Sand Dunes-Delaware Pool oil production within the wellbore of its Pauline ALB State Well No. 6 located 1980 feet from the South and East lines (Unit J) of Section 32, Township 23 South, Range 31 East, being approximately 3 miles west of New Mexico State Highway 128 at Mile Marker 17.
- CASE 10621:** Application of Fortson Oil 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 Abo formation underlying the SW/4 SW/4 (Unit M) of Section 30, Township 19 South, Range 39 East, forming a standard 40-acre oil spacing and proration unit 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 unit is located approximately 2 miles east of Nadine, New Mexico.
- CASE 10622:** Application of Sea Coast, Inc. for compulsory pooling, San Juan 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 in Section 6, Township 29 North, Range 12 West, and in the following described manner: Lots 6 and 7, the E/2 SW/4 and SE/4 (S/2 equivalent) to form a standard 317.98-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 only the Basin-Fruitland Coal (Gas) Pool and Lots 6 and 7 and the E/2 SW/4 (SW/4 equivalent) to form a standard 157.98-acre gas 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 Crouch Mesa-Fruitland Sand Pool, Undesignated West Kutz-Fruitland Sand Pool and Fulcher Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single 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, and a charge for risk involved in drilling said well. The applicant also requests that Marlex Resources, Inc. be designated operator of the well. Said area is located on the east side of Farmington, New Mexico.
- CASE 10623:** Application of Sea Coast, Inc. for compulsory pooling, San Juan 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 in Section 7, Township 29 North, Range 12 West, and in the following described manner: Lots 5 through 9, the N/2 NE/4, and the NW/4 SE/4 (E/2 equivalent) to form a standard 321.45-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 only the Basin-Fruitland Coal (Gas) Pool and Lots 5 and 6 and the N/2 NE/4 (NE/4 equivalent) to form a standard 160.46-acre gas 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 West Kutz-Fruitland Sand Pool and Fulcher Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single 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, and a charge for risk involved in drilling said well. The applicant also requests that Marlex Resources, Inc. be designated operator of the well. Said area is located on the east end of Farmington, New Mexico.
- CASE 10624:** Application of Sea Coast, Inc. for compulsory pooling, San Juan 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 in Section 8, Township 29 North, Range 12 West, and in the following described manner: Lots 1 through 4, 9 and 10, and the N/2 NW/4 (W/2 equivalent) to form a standard 325.77-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 only the Basin-Fruitland Coal (Gas) Pool and Lots 3, 4, 9 and 10 (SW/4 equivalent) to form a standard 164.44-acre gas 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 Crouch Mesa-Fruitland Sand Pool, Undesignated West Kutz-Fruitland Sand Pool and Undesignated Fulcher Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single 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, and a charge for risk involved in drilling said well. The applicant also requests that Marlex Resources, Inc. be designated operator of the well. Said area is located on the east end of Farmington, New Mexico.

- CASE 10625:** Application of Sea Coast, Inc. for compulsory pooling, San Juan 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 in Section 8, Township 29 North, Range 12 West, and in the following described manner: Lots 5 through 8 and the NE/4 (E/2 equivalent) to form a standard 322.86-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 only the Basin-Fruitland Coal (Gas) Pool and the NE/4 to form 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 (which presently includes but is not necessarily limited to the Undesignated Crouch Mesa-Fruitland Sand Pool, Undesignated West Kutz-Fruitland Sand Pool and Undesignated Fulcher Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single 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, and a charge for risk involved in drilling said well. The applicant also requests that Marlex Resources, Inc. be designated operator of the well. Said area is located on the east end of Farmington, New Mexico.
- CASE 10626:** Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Chaves 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 NW/4 of Section 32, Township 6 South, Range 26 East, 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, which presently includes but is not necessarily limited to the Undesignated Pecos Slope-Abo 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 area is located approximately 16 miles west by north of Elkins, New Mexico.
- CASE 10627:** Application of Yates Petroleum Corporation for compulsory pooling, Chaves 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 NE/4 of Section 17, Township 10 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre spacing, which presently includes but is not necessarily limited to the South Pecos Slope-Abo 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 miles northeast of Roswell, New Mexico.
- CASE 10628:** 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 the surface to the base of the Morrow formation underlying the following described areas in Section 27, Township 21 South, Range 24 East, and in the following manner: the entire section forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, which presently includes only the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and the Undesignated Indian Basin-Morrow Gas Pool, and 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 spacing within said vertical extent. Said units are to be dedicated to the plugged and abandoned Pan American Petroleum Corp. Pardue Federal Gas Com Well No. 1 located at an unorthodox gas well location 1140 feet from the South line and 1350 feet from the West line (Unit N) of said Section 27. 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 area is located approximately 15 miles west by north of Carlsbad, New Mexico.
- CASE 10629:** Application of Santa Fe Energy Operating Partners, L. P. 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 areas in Section 27, Township 21 South, Range 24 East, and in the following manner: the entire section forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, which presently includes only the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and the Undesignated Indian Basin-Morrow Gas Pool, and 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 spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled at an unorthodox gas well location 500 feet from the South line and 660 feet from the West line (Unit M) 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 area is located approximately 15 miles west by north of Carlsbad, New Mexico.