

CASE 10654: (Continued from January 7, 1993, Examiner Hearing.)

Application of Warrior, Inc. for an unorthodox oil well location, Eumont Oil Pool, Lea County, New Mexico. Applicant seeks an order approving the drilling of its Federal "D" Well No. 13 in the Eumont Oil Pool at an unorthodox oil well location 1300 feet from the South and West lines (Unit M) of Section 26, Township 20 South, Range 36 East. Said well is to be dedicated to a standard 40-acre oil proration and spacing unit consisting of the SW/4 SW/4 of said Section 26. Said unit is located approximately 7 miles southwest of Monument, New Mexico.

CASE 10656: (Continued from January 7, 1993, Examiner Hearing.)

Application of Mitchell Energy Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Pennsylvanian formation underlying the W/2 of Section 28, Township 20 South, Range 33 East, 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, which presently includes but is not necessarily limited to the South Salt Lake-Morrow Gas Pool. Said unit is to be dedicated to its Tomahawk "28" Federal Com Well No. 1 to be drilled and completed at an unorthodox gas well location 1650 feet from the North line and 1980 feet from the West line (Unit F) of said Section 28. 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 and completing said well. Said unit is located approximately 22 miles southeast of Maljamar, New Mexico.

CASE 10660: Application of Charles B. Gillespie, Jr. to amend Division Order No. R-9722, Lea County, New Mexico. Applicant seeks the redesignation of the East Big Dog-Strawn Pool, which was created by Division Order No. R-9722, issued in Case 10530 and dated September 23, 1992, to the West Lovington-Strawn Pool. The special rules and regulations promulgated by said Order should also be amended to reflect the proposed name change. The subject pool area incorporates the W/2 SE/4 of Section 33, Township 15 South, Range 35 East, being approximately 3.5 miles northwest of Lovington, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 10644: (Continued from December 17, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 of Section 10, Township 5 South, Range 24 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 limited to the Undesignated Pecos Slope-Abo Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location in Unit C of Section 10. 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 area is located approximately 34 miles north of Roswell, New Mexico.

CASE 10572: (Continued from January 7, 1993, Examiner Hearing.)

Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its W. H. Rhodes "B" Federal Waterflood Project, authorized by Division Order No. R-2748, by converting its W. H. Rhodes "B" Federal (NCT-1) Well No. 6 located 1980 feet from the South line and 660 feet from the East line (Unit I) and its W. H. Rhodes "B" Federal (NCT-1) Well No. 13 located 990 feet from the South line and 1650 feet from the East line (Unit O), both in Section 27, Township 26 South, Range 37 East, from producing oil wells to water injection wells. Said project area is located approximately 7.5 miles south-southeast of Jal, New Mexico.

CASE 10573: (Continued from January 7, 1993, Examiner Hearing.)

Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Rhodes Yates Unit Waterflood Project, authorized by Division Order No. R-3889, by converting its Rhodes Yates Unit Well No. 8 located 1875 feet from the North line and 765 feet from the West line (Unit E) and its Rhodes Yates Unit Well No. 13 located 660 feet from the South and West lines (Unit M), both in Section 27, Township 26 South, Range 37 East, Rhodes Yates Unit, Rhodes Yates-Seven Rivers Pool, from producing oil wells to water injection wells. Said project area is located approximately 7.5 miles south-southeast of Jal, New Mexico.

CASE 10661: 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 Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the Southeast Acme-San Andres Pool. The discovery well is the Elk Oil Company Celtic State #1 located in Unit E of Section 13, Township 8 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM

Section 13: SW/4 NW/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Greenwood-Wolfcamp Pool. The discovery well is the BTA Oil Producers Lusk 9209 JV-P #1 located in Unit F of Section 12, Township 19 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

Section 12: NW/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Happy Valley-Delaware Pool. The discovery well is the Collins and Ware Incorporated Sheep Draw Federal #2 located in Unit C of Section 33, Township 22 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 33: NE/4 NW/4

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Southwest Indian Basin-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation Sedge Unit #1 located in Unit H of Section 18, Township 22 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM

Section 18: E/2

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Scanlon-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Chamois AKE Federal Com. #1 located in Unit G of Section 33, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM

Section 33: E/2

- (f) EXTEND the West Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM

Section 17: W/2

CASE 10626: (Continued from December 3, 1992, Examiner Hearing.)

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 10628: (Continued from December 3, 1992, Examiner Hearing.)

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 10642: **Application of Yates Drilling Company for the expansion of the Cactus Queen (Voluntary) Unit Waterflood Project Area, to amend Division Order No. R-9075-B, and to qualify said expansion area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Chaves County, New Mexico.** Applicant seeks to expand its Cactus Queen (Voluntary) Unit Waterflood Project Area, as promulgated by Division Order No. R-9075-B, to include the SW/4 NE/4, S/2 NW/4, SW/4 and NW/4 SE/4 of Section 34, Township 12 South, Range 31 East, Southeast Chaves Queen Gas Area Associated Pool, which would make the project area conterminous with its proposed expanded Cactus Queen (Voluntary) Unit Area, being the subject of Division Case No. 10641. The applicant proposes to inject water into the Queen interval within said expanded area through 5 certain wells to be converted from producing wells to injectors. The applicant also requests that said Order No. R-9075-B be amended to include any provisions necessary for such other matters as may be appropriate for said expansion and continued waterflood operations. **FURTHER,** the applicant 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 said expanded area for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said area of interest is located approximately 12 miles southwest by south of Caprock, New Mexico.

CASE 10643: **Application of Yates Petroleum Corporation for directional drilling, Eddy County, New Mexico.** Applicant seeks authority to directionally drill its proposed Amaranth "AMG" Federal Com. Well No. 1 from a surface location 1310 feet from the North line and 2630 feet from the East line (Unit B) of Section 12, Township 20 South, Range 30 East, in such a manner as to bottom the well in the Undesignated Strawn and Morrow formations, at a standard location within 50 feet of a point 2449 feet from the North line and 1512 feet from the West line (Unit F) of said Section 12, with the W/2 of said Section 12 dedicated to the well forming a standard 320-acre gas spacing and proration unit for said formations. This well is located approximately 21 miles northeast of Carlsbad, New Mexico.

CASE 10644: **Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 of Section 10, Township 5 South, Range 24 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 limited to the Undesignated Pecos Slope-Abo Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location in Unit C of Section 10. 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 area is located approximately 34 miles north of Roswell, New Mexico.

CASE 10645: Application of Enron Oil & Gas Company for unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location 990 feet from the South line and 1980 feet from the West line (Unit O) of Section 36, Township 24 South, Range 33 East, to test the Wolfcamp formation, the Atoka formation, and the Morrow formation. The W/2 of said Section 36 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. The proposed well site is located approximately 14.5 miles west of Jal, New Mexico.

CASE 10646: Application of Enron Oil & Gas Company for directional drilling, or in the alternative, for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Pure Gold "B" Federal Well No. 2 from a surface location in Unit O of Section 17, Township 23 South, Range 31 East to a bottomhole location in the Atoka formation, Undesignated West Sand Dunes-Atoka Gas Pool and in the Morrow formation, Undesignated West Sand Dunes-Morrow Gas Pool at a standard location within 50 feet of a point 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 20, Township 23 South, Range 31 East. IN THE ALTERNATIVE, applicant seeks approval for an unorthodox gas well location 660 feet from the North line and 1700 feet from the East line (Unit B) of Section 20, Township 23 South, Range 31 East, in said Atoka and Morrow pools. The N/2 of said Section 20 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 7 miles east of Loving, New Mexico.

CASE 10647: Application of Seely Oil Company for statutory unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the EK-Yates-Seven Rivers-Queen Pool, underlying 1148.40 acres, more or less, of State land comprising portions of Township 18 South, Ranges 33 and 34 East, to be designated the Central EK Queen Unit Area. To be considered will be those matters required by the New Mexico Statutory Unitization Act, Subsection 70-7-1, et seq., N.M.S.A. 1978, and other provisions of the unit agreement and unit operating agreement. Said unit area is located approximately 22 miles west of Hobbs, New Mexico.

CASE 10648: Application of Seely Oil Company for approval of a waterflood project and qualification for the recovered oil tax rate, Lea County, New Mexico. Applicant seeks authority to institute a waterflood project by injection of water into the Yates, Seven Rivers and Queen formations in its proposed EK Queen Unit Area (Division Case No. 10647) underlying portions of Township 18 South, Ranges 33 and 34 East. The applicant further seeks to qualify this project for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is centered approximately 22 miles west of Hobbs, New Mexico.

CASE 10572: (Continued from December 3, 1992, Examiner Hearing.)

Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its W. H. Rhodes "B" Federal Waterflood Project, authorized by Division Order No. R-2748, by converting its W. H. Rhodes "B" Federal (NCT-1) Well No. 6 located 1980 feet from the South line and 660 feet from the East line (Unit I) and its W. H. Rhodes "B" Federal (NCT-1) Well No. 13 located 990 feet from the South line and 1650 feet from the East line (Unit O), both in Section 27, Township 26 South, Range 37 East, from producing oil wells to water injection wells. Said project area is located approximately 7.5 miles south-southeast of Jal, New Mexico.

CASE 10573: (Continued from December 3, 1992, Examiner Hearing.)

Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Rhodes Yates Unit Waterflood Project, authorized by Division Order No. R-3889, by converting its Rhodes Yates Unit Well No. 8 located 1875 feet from the North line and 765 feet from the West line (Unit E) and its Rhodes Yates Unit Well No. 13 located 660 feet from the South and West lines (Unit M), both in Section 27, Township 26 South, Range 37 East, Rhodes Yates Unit, Rhodes Yates-Seven Rivers Pool, from producing oil wells to water injection wells. Said project area is located approximately 7.5 miles south-southeast of Jal, New Mexico.