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April 27, 1993

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PAUL G. NASON

DARLA M. SILVA

H R THOMAS

10434



Dear Florene:

Enclosed are an original and two copies of an unorthodox location application filed on behalf of Pogo Producing Company, together with a proposed advertisement. Please set this for the May 20 hearing.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &-HENSLEY

1 Jule

James Bruce

JB:frs Enclosures

VIA HAND DELIVERY

# BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF POGO PRODUCING COMPANY FOR AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.



Pogo Producing Company, for its Application bases:

- 1. Applicant is the operator of the S½ of Section 27, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.
- 2. Applicant proposes to drill its State V-492 Well No. 2 at one of the following unorthodox locations:

Alternative Location A: 1,830 feet FWL and 1,980 feet FSL of Section 27.

Alternative Location B: 1,360 feet FWL and 1,980 feet FSL of Section 27.

The  $S_2^1$  of Section 27 will be dedicated to the well.

3. The well will be drilled to a depth sufficient to test the Morrow formation, and will be unorthodox for the following prospective zones:

Alternative Location A: Wolfcamp, Strawn, Atoka (Salt Draw-Atoka Gas Pool), and Morrow (undesignated Malaga-Morrow Gas Pool) formations.

<u>Alternative Location B</u>: Delaware, Bone Spring (undesignated Willow Lake-Bone Spring Pool),

Wolfcamp, Strawn, Atoka (Salt Draw-Atoka Gas Pool), and Morrow (undesignated Malaga-Morrow Gas Pool) formations.

JGB5\93822.d

Applicant requests approval of the unorthodox location as to all prospective zones.

- 4. Approval of the location is in the interests of conservation and the prevention of waste.
- 5. Applicant is also applying for administrative approval of the above locations, but due to lease expiration deadlines it is applying for hearing in the event of a protest by offset operators.

WHEREFORE, Applicant requests that after hearing the above relief be granted.

HINKLE, COX, EATON, COFFIELD & HENSLEY

James/Bruce

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(505) 982-4554

Attorneys for Applicant

#### BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF POGO PRODUCING COMPANY FOR AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.



#### APPLICATION

Pogo Producing Company, for its Application, states:

- 1. Applicant is the operator of the S½ of Section 27, Township 24 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.
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The S1/2 of Section 27 will be dedicated to the well.

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James: Bruce

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Santa Fe, New Mexico 87504-2068

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Attorneys for Applicant

#### PROPOSED ADVERTISEMENT

Application of Pogo Producing Company for an unorthodox well location, Eddy County, New Mexico. Applicant seeks approval to drill its State V-492 Well No. 2 at one of two proposed locations:

- (a) 1,830 feet from the West line and
  1,980 feet from the North line (Unit
  K) of Section 27; or
- (b) 1,360 feet from the West line and 1,980 feet from the South line (Unit L) of Section 27,

in Township 24 South, Range 28 East, N.M.P.M. The Stand Section 27 is to be dedicated to the Well. Applicant further requests approval of the unorthodox location as to all prospective pools or formations spaced on 40, 160, or 320 acres. Said well is located approximately \_\_\_\_\_ miles \_\_\_\_\_ of \_\_\_\_\_, New Mexico.

# BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF POGO PRODUCING COMPANY FOR AN UNORTHODOX WELL LOCATION, EDDY COUNTY, NEW MEXICO.

APPLICATION OIL CONSERVATION DIVISION.

Pogo Producing Company, for its Application, states:

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# PROPOSED ADVERTISEMENT

Application of Pogo Producing Company for an unorthodox well location, Eddy County, New Mexico. Applicant seeks approval to drill its State V-492 Well No. 2 at one of two proposed locations:

- (a) 1,830 feet from the West line and 1,980 feet from the North line (Unit K) of Section 27; or
- (b) 1,360 feet from the West line and1,980 feet from the South line (UnitL) of Section 27,

in Township 24 South, Range 28 East, N.M.P.M. The Stand Section 27 is to be dedicated to the Well. Applicant further requests approval of the unorthodox location as to all prospective pools or formations spaced on 40, 160, or 320 acres. Said well is located approximately \_\_\_\_\_\_ miles \_\_\_\_\_\_ of \_\_\_\_\_\_\_, New Mexico.

CASE 10733; Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the N/2 of Section 33, Township 24 South, Range 28 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. Said unit is to be dedicated to a well to be drilled and completed at an unorthodox gas well location 1980 feet from the North line and 1730 feet from the East line (Unit G) of said Section 33. 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 3 miles southwest of Malaga, New Mexico.

CASE 10694: (Continued from April 22, 1993, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described areas in Section 18, Township 20 South, Range 34 East, and in the following manner: The N/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; the NE/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 NW/4 NE/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 unit is to be dedicated to the applicant's Sinagua 18 Federal Well No. 1, to be drilled at an orthodox location within said N/2 proration unit. 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 3 1/2 miles southwest of Warren Gas Co. Compressor Station.

CASE 10734: Application of Pogo Producing Company for an unorthodox well location, Eddy County, New Mexico. Applicant seeks approval to drill its State V-492 Well No. 2 at one of two proposed locations: (a) 1,980 feet from the South line and 1,830 feet from the West line (Unit K) of Section 27; or (b) 1980 feet from the South line and 1360 feet from the West line (Unit L) of Section 27, in Township 24 South, Range 28 East. The S/2 of said Section 27 is to be dedicated to the well. Applicant further requests approval of the unorthodox location as to all prospective pools or formations including but not limited to the Wolfcamp, Strawn, Atoka and Morrow (Salt Draw-Atoka Gas Pool) spaced on 40, 160, or 320 acres. Said well is located approximately 2 miles south of Malaga, New Mexico.

CASE 10687: (Continued from May 6, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the following described areas in Section 17, Township 18 South, Range 28 East, and in the following manner: the E/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; and 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. Said unit is to be dedicated to its Illinois Camp "17" State Well No. 2, to be drilled at a standard location within said E/2 proration unit. 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 north of Illinois Camp.

CASE 10688: (Continued from May 6, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant 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 areas in Section 31, Township 17 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 spacing within said vertical extent; 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; and the SW/4 SE/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 unit is to be dedicated to its Chalk Bluff "31" State Well No. 1, to be drilled at a standard location within said S/2 proration unit. 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 1 mile southwest of the Baylor Triangulation Station.

### CASE 10513: (Continued and Readvertised)

Application of Hanley Petroleum Inc. for determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, as a working interest owner in the Santa Fe Energy Operating Partners, L.P. Kachina "8" Federal Well No. 2 located 1830 feet from the North line and 660 feet from the West line (Unit E) of Section 8, Township 18 South, Range 33 East, South Corbin-Wolfcamp Pool, which was drilled pursuant to the compulsory pooling provisions of Division Order Nos. R-9480-A, and R-9480-B, all entered in Case Nos. 10211 and 10219, and to which is dedicated the W/2 NW/4 (Units D and E) of said Section 8, seeks an order ascertaining the reasonableness of actual well costs for the subject well. Said unit is located approximately 7.5 miles southeast by south of Maljamar, New Mexico.

# DOCKET: EXAMINER HEARING - THURSDAY - JUNE 3, 1993 8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO

Dockets Nos. 17-93 and 18-93 are tentatively set for June 17, 1993 and July 1, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner:

CASE 10727: (Readvertised)

Application of Mobil Exploration & Producing U.S. Inc. for downhole commingling, Lea County, New Mexico. Applicant seeks approval to downhole commingle oil production from the South Shoe Bar-Upper Pennsylvanian Pool and South Shoe Bar-Wolfcamp Pool within the wellbores of five certain wells in the NE/4 and S/2 SE/4 of Section 1, Township 17 South, Range 35 East and in the S/2 NW/4 and N/2 SW/4 of Section 6, Township 17 South, Range 36 East. Said area is located approximately 6 miles southwest of Lovington, New Mexico.

CASE 10735: Application of Meridian Oil Inc. for downhole commingling and for an administrative downhole commingling procedure within the Huerfano Unit Area, San Juan County, New Mexico. Applicant seeks approval to commingle gas production from the Ballard-Pictured Cliffs Pool and the Basin-Fruitland Coal Gas Pool within the wellbores of its existing Huerfano Unit Well No. 46 located in the SW/4 (Unit K) and the W/2 of Section 23, Township 26 North, Range 9 West, and its Huerfano Unit Well No. 59 located in the NE/4 (Unit B) and the N/2 of Section 26, Township 26 North, Range 9 West, and from the West Kutz-Pictured Cliffs Pool and the Basin-Fruitland Coal Gas Pool within the wellbore to be drilled for the Huerfano Unit Well No. 549 to be located in the NE/4 (Unit A) and the E/2 of Section 33, Township 27 North, Range 10 West, with the identified 320acre spacing and proration unit for the Basin-Fruitland Coal Gas Pool and the corresponding 160-acre spacing and proration unit for the Pictured Cliffs production to be dedicated to each said well as indicated above. In addition, the applicant seeks the adoption of an administrative procedure for authorizing the downhole commingling of Pictured Cliffs and Basin-Fruitland Coal Gas Pool production in the wellbores of existing and subsequently drilled wells within the Huerfano Unit area without hearing and without the requirement of notice to any offsetting operator and without the requirement that each interest owner in the Pictured Cliffs and Basin-Fruitland Coal Gas Pool Participating Areas be notified of such commingling. The Huerfano Unit is located in portions of Townships 25, 26 and 27 North, and Ranges 9, 10 and 11 West. The southern boundary of said unit is located approximately 15 miles northwest by north of Nageesi, New Mexico.

CASE 10734: (Continued from May 20, 1993, Examiner Hearing.)

Application of Pogo Producing Company for an unorthodox well location, Eddy County, New Mexico. Applicant seeks approval to drill its State V-492 Well No. 2 at one of two proposed locations: (a) 1,980 feet from the South line and 1,830 feet from the West line (Unit K) of Section 27; or (b) 1980 feet from the South line and 1360 feet from the West line (Unit L) of Section 27, in Township 24 South, Range 28 East. The S/2 of said Section 27 is to be dedicated to the well. Applicant further requests approval of the unorthodox location as to all prospective pools or formations including but not limited to the Wolfcamp, Strawn, Atoka and Morrow (Salt Draw-Atoka Gas Pool) spaced on 40, 160, or 320 acres. Said well is located approximately 2 miles south of Malaga, New Mexico.

CASE 10687: (Continued from May 20, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the following described areas in Section 17, Township 18 South, Range 28 East, and in the following manner: the E/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; and 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. Said unit is to be dedicated to its Illinois Camp "17" State Well No. 2, to be drilled at a standard location within said E/2 proration unit. 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 north of Illinois Camp.

# CASE 10688: (Continued from May 20, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant 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 areas in Section 31, Township 17 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 spacing within said vertical extent; the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160acre spacing within said vertical extent; and the SW/4 SE/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 unit is to be dedicated to its Chalk Bluff "31" State Well No. 1, to be drilled at a standard location within said S/2 proration unit. 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 1 mile southwest of the Baylor Triangulation Station.

CASE 10736: Application of MW Petroleum Corporation/Apache Corporation for an unorthodox gas well location Eddy County, New Mexico. Applicant seeks approval to drill its Federal C Well No. 2 at an unorthodox gas well location 800 feet from the South and West lines of Section 35, Township 21 South, Range 23 East, to test the Indian Basin-Upper Pennsylvanian Gas Pool. Said well is located approximately 2 miles south of the Indian Basin Gas Plant.

#### CASE 10707: (Reopened)

Application of Amoco Production Company for a CO2 injection pilot project and an exception to Rule 4, Order No. R-8768-A, San Juan County, New Mexico. Applicant seeks approval of a CO2 injection pilot project and authority for a second producing unit on a 320-acre spacing unit in the Basin-Fruitland Coal Gas Pool consisting of the N/2 of Section 23, Township 30 North, Range 9 West. This project is located approximately 2 miles west of Navajo Dam.

### CASE 10732: (Continued from May 20, 1993, Examiner Hearing.)

Application of Condor Oil Corporation for eighteen unorthodox oil well locations, San Juan County, New Mexico. Applicant seeks approval for eighteen unorthodox oil well locations in the Northeast Hogback Unit, as follows:

SE/4 NE/4 of Section 10 - 2630 feet from the North line and 1310 feet from the East line; NW/4 SW/4 of Section 11 - 1340 feet from the South line and 10 feet from the West line; NW/4 SE/4 of Section 10 - 1340 feet from the South line and 1350 feet from the East line: NE/4 NE/4 of Section 10 - 1310 feet from the North line and 1310 feet from the East line; SW/4 NW/4 of Section 11 - 2630 feet from the North line and 50 feet from the West line; NE/4 NE/4 of Section 10 - 1310 feet from the North line and 10 feet from the East line; NW/4 NE/4 of Section 10 - 1310 feet from the North line and 2310 feet from the East line; NW/4 NE/4 of Section 10 - 330 feet from the North line and 2310 feet from the East line; NE/4 NE/4 of Section 10 - 330 feet from the North line and 1310 feet from the East line; NW/4 NW/4 of Section 14 - 10 feet from the North line and 1310 feet from the West line; NW/4 SW/4 of Section 11 - 1330 feet from the South line and 1310 feet from the West line: NE/4 NE/4 of Section 15 - 10 feet from the North line and 10 feet from the East line; SW/4 NE/4 of Section 10 - 2630 feet from the North line and 2310 feet from the East line: NW/4 SW/4 of Section 11 - 2630 feet from the South line and 1310 feet from the West line: SW/4 SE/4 of Section 10 - 1310 feet from the South line and 2010 feet from the East line; SW/4 NE/4 of Section 14 - 1500 feet from the North line and 2300 feet from the East line; SE/4 SW/4 of Section 11 - 1310 feet from the South line and 2310 feet from the West line; NE/4 NW/4 of Section 14 - 1310 feet from the North line and 1330 feet from the West line, all in Township 30 North, Range 16 West.

The above wells are infill wells within a secondary recovery unit which is centered approximately 3 miles northwest of Waterflow, New Mexico.