

CASE 10817: Application of Meridian Oil Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Section 35, Township 17 South, Range 30 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 Cedar Lake-Morrow Gas Pool. Said unit is to be dedicated to its Loco Hills "35" Federal Well No. 1 to be drilled and completed at a standard location within Unit J (NW/4 SE/4) of said Section 35. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs 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 southeast of Loco Hills, New Mexico.

CASE 10818: Application of Petroleum Development Company for a short-radius horizontal directional drilling project area and special operating rules therefor, Chaves County, New Mexico. Applicant seeks authority to institute a short-radius horizontal directional drilling project in the Tomahawk-San Andres Pool on its Strange Federal Lease comprising the S/2 of Section 25, Township 7 South, Range 31 East. Initially the applicant proposes to utilize three existing wells on said lease, the No. 1, 2, and 3 wells located in Units "P", "O", and "J", respectively, of said Section 25 by kicking-off from vertical, build angle to approximately 90 degrees with a short-radius curve and continue drilling a horizontal drainhole in said pool. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of any drainhole in said project area to within 100 feet of the boundary circumventing the S/2 of said Section 25. Further, the applicant seeks the promulgation of special operating rules and procedures for said project area including provisions for administrative authorization of any further drainholes, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, and the assignment of a special oil allowable to units with horizontal wellbores or to assign a special project allowable for the area should it be deemed necessary. The center of said project area is located approximately 12 miles south by east of Kenna, New Mexico.

CASE 10819: Application of Petroleum Development Company for a short-radius horizontal directional drilling project area and special operating rules therefor, Roosevelt County, New Mexico. Applicant seeks authority to institute a short-radius horizontal directional drilling project in the Tomahawk-San Andres Pool on its Mountain Federal Lease comprising the NE/4 and E/2 NW/4 of Section 30, Township 7 South, Range 32 East. Initially the applicant proposes to utilize the existing Mountain Federal Well Nos. 4 and 5 located in Units "B" and "C", respectively, of said Section 30 by kicking-off from vertical, build angle to approximately 90 degrees with a short-radius curve and continue drilling a horizontal drainhole in said pool. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of any drainhole in said project area to within 100 feet of the boundary circumventing said project area as described above. Further, the applicant seeks the promulgation of special operating rules and procedures for said project area including provisions for administrative authorization of any further drainholes, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, and the assignment of a special oil allowable to units with horizontal wellbores or to assign a special project allowable for the area should it be deemed necessary. The center of said project area is located approximately 11.5 miles south-southeast of Kenna, New Mexico.

CASE 10820: Application of Petroleum Development Company for a high angle/horizontal directional drilling pilot project and for special operating rules therefor, Chaves County, New Mexico. Applicant seeks authority to initiate a short-radius high angle/horizontal directional drilling pilot project in the NW/4 NE/4 of Section 6, Township 8 South, Range 31 East, being a standard 40-acre oil spacing and proration unit in the Cato-San Andres Pool. The applicant proposes to utilize the previously plugged and abandoned Exxon Corporation Wattam Federal Well No. 1 located 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 6 by kick-off from vertical, build angle to approximately 90 degrees with a short radius curve and continue with a horizontal drainhole in said pool. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of the well's producing interval within 100 feet to the outer boundary of said 40-acre unit. Said project area is located approximately 13.5 miles south by west of Kenna, New Mexico.

CASE 10821: Application of Petroleum Development Company for a short-radius horizontal directional drilling project area and special operating rules therefor, Chaves County, New Mexico. Applicant seeks authority to institute a short-radius horizontal directional drilling project in the Tom Tom-San Andres Pool on a portion of its Wattam Federal Lease comprising Lots 2, 3, and 4, the E/2, SE/4 NW/4, and E/2 SW/4 of Section 7 and the S/2 NW/4 and SW/4 of Section 8, Township 8 South, Range 31 East. Initially the applicant proposes to utilize the existing Wattam Federal Well Nos. 2 and 6 located in Units "L" and "A", respectively, of said Section 7 by kicking-off from vertical, build angle to approximately 90 degrees with a short-radius curve and continue drilling a horizontal drainhole in said pool. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of any drainhole in said project area to within 100 feet of the boundary circumventing said project area as described above. Further, the applicant seeks the promulgation of special operating rules and procedures for said project area including provisions for administrative authorization of any further drainholes, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, and the assignment of a special oil allowable to units with horizontal wellbores or to assign a special project allowable for the area should it be deemed necessary. The center of said project area is located approximately 13 miles south by west of Kenna, New Mexico.

CASE 10687: (Continued from August 26, 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 August 26, 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 10822: Application of Cross Timbers Operating Company for a waterflood project, Lea County, New Mexico. Applicant seeks authority to convert its State "BY" Well No. 6, located 2310 feet from the South line and 430 feet from the East line (Unit I) of Section 32, Township 17 South, Range 33 East, and utilize said well for secondary recovery purposes for the applicant's State "BY" Lease by injecting produced and fresh water into the Grayburg formation through the perforated interval from approximately 4602 to 4708 feet. The applicant requests that the Division establish procedures for the administrative approval of additional injection wells on said lease without the necessity of further hearings, and the adoption of any other provisions necessary for such other matters as may be appropriate for said waterflood operations. Said well is located approximately 4 miles west-southwest of Buckeye, New Mexico.

CASE 10823: Application of Nearburg Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation, underlying the W/2 of Section 10, Township 22 South, Range 24 East, forming a standard 320-acre oil and gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Indian Basin-Upper Pennsylvanian Associated Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location within said W/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 the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 12 miles west of Carlsbad, New Mexico.

CASE 10817: (Continued from September 9, 1993, Examiner Hearing.)

Application of Meridian Oil Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Section 35, Township 17 South, Range 30 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 Cedar Lake-Morrow Gas Pool. Said unit is to be dedicated to its Loco Hills "35" Federal Well No. 1 to be drilled and completed at a standard location within Unit J (NW/4 SE/4) of said Section 35. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs 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 southeast of Loco Hills, New Mexico.

CASE 10830: Application of Conoco Inc. for establishment of a temporary special testing allowable, Lea County, New Mexico. Applicant seeks an order establishing a special testing allowable for its Lockhart A-27 Lease Project, N/2 of Section 27, Township 21 South, Range 37 East, Paddock Pool, for a maximum period of twelve months at a maximum rate equal to the capacity of each well up to a limiting 6,000 to 1 GOR within the project to produce oil from said pool. This project is located approximately one mile northeast of Eunice, New Mexico.

CASE 10831: Application of Robert L. Bayless for downhole commingling, Rio Arriba County, New Mexico. Applicant seeks approval to downhole commingle oil production from the Cabresto-Gallup and East Blanco-Pictured Cliffs fields within the wellbore of the Simms Com Well No. 1, located in Unit J of Section 13, Township 30 North, Range 4 West. Said well is located approximately 7.5 miles east of Ojo Encino Trailer School.

CASE 10832: Application of Robert L. Bayless for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant seeks approval of an unorthodox gas well location 2100 feet from the South line and 490 feet from the East line (Unit I) of Section 11, Township 24 North, Range 7 West, to test the Undesignated Ballard-Pictured Cliffs Pool. The SE/4 of said Section 11 is to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said pool. The proposed unit is located approximately 6 miles north of the Sunterra Gas Processing Lybrook Gas Plant.

CASE 10781: (Reopened)

Application of Marathon Oil Company for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks approval of an unorthodox well location in the Basin-Fruitland Coal Gas Pool for its proposed Schwerdtfeger Well No. 17-2 to be drilled at an unorthodox well location 1605 feet from the South line and 1135 feet from the East line (Unit I) of Section 17, Township 27 North, Range 11 West. Said well is to be dedicated to a 320-acre spacing unit consisting of the E/2 of Section 17. Said unit is located approximately 9 miles south of Bloomfield, New Mexico.

CASE 10811: (Continued from September 9, 1993, Examiner Hearing.)

Application of Giant Exploration & Production Company for an unorthodox oil well location, Santa Fe County, New Mexico. Applicant seeks approval of an unorthodox oil well location 1300 feet from the South line and 1000 feet from the West line (Unit M) of Section 10, Township 20 North, Range 9 East, to test the Pennsylvanian formation. The SW/4 SW/4 of said Section 10 is to be dedicated to said well. Said well is located approximately 2 miles southwest of El Patrero, New Mexico.

CASE 10812: (Continued from September 9, 1993, Examiner Hearing.)

Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal Gas Pool, underlying the N/2 of Section 33, Township 26 North, Range 11 West, 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 only the Basin Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon in 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 said well. Said unit is located near the Huerfano Boarding School.

CASE 10833: (This case will be continued to October 7, 1993, Examiner Hearing.)

Application of Giant Exploration & Production Company for an unorthodox infill coal gas well location, San Juan County, New Mexico. Applicant seeks approval of an unorthodox coal gas well location 1850 feet from the South line and 790 feet from the East line of Section 29, Township 25 North, Range 12 West, Basin-Fruitland Coal (Gas) Pool. Further, the applicant seeks an exception to the requirements of Rule No. 4 of the Special Rules and Regulations for said Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, as amended, to allow the drilling of a second well on a standard 320-acre spacing and proration unit comprising the E/2 of said Section 29. Said unit is located approximately 8 miles south of Chaco Plant.

CASE 10800: (Continued from September 9, 1993, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal (Gas) formation, underlying the E/2 of Section 26, Township 26 North, Range 13 West, forming a standard 320-acre coal gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to its Serendipity Well No. 1 to be recompleted at a standard coal gas well location 1650 feet from the South line and 2310 feet from the East line of said Section 26. Also to be considered will be the cost of recompleting 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 recompleting said well. Said well is located approximately 3 miles southeast of the Chaco Gas Plant.

CASE 10513: (Continued from September 9, Examiner Hearing.)

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, 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.

CASE 10834: 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 County, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the East Carlsbad-Bone Spring Pool. The discovery well is the Collins & Ware, Inc. Lone Tree Federal Com Well No. 1 located in Unit N of Section 24, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 24: S/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Northwest Poker Lake-Delaware Pool. Further, assign a discovery allowable of approximately 39,620 barrels of oil to the discovery well, the Meridian Oil, Inc. Poker Lake 18 Federal Well No. 1 located in Unit F of Section 18, Township 24 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 18: NW/4

- (c) EXTEND the North Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 35: SE/4

- (d) EXTEND the South Golden Lane-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 17: NW/4