

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 4, 1993
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 34-93 and 35-93 are tentatively set for November 18, 1993 and December 2, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

CASE 10856: Application of Hanson Operating Company, Inc., for a high angle/horizontal directional drilling pilot project and for special operating rules therefore, Roosevelt County, New Mexico. Applicant seeks authority to initiate a short-radius high angle/horizontal directional drilling pilot project in the NW/4 SE/4 of Section 17, Township 8 South, Range 37 East, being a standard 40-acre oil spacing and proration unit in the Undesignated North Allison-San Andres Pool. Applicant proposes to utilize its existing Tuxedo Federal Well No. 1 located 1990 feet from the South line and 2004 feet from the East line (Unit J) of said Section 17 by kicking-off from vertical at an approximate depth of 4825 feet, 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 any drainhole in said project area to within 330 feet of the outer boundary of said 40-acre unit. Said project area is located approximately 9.75 miles south by east of Milnesand, New Mexico.

CASE 10857: Application of Phillips Petroleum Company for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location for its Lone Ranger Well No. 21 to be drilled 2260 feet from the South line and 450 feet from the East line and (Unit I) of Section 27, Township 12 South, Range 34 East, West Ranger Lake-Devonian Gas Pool. The E/2 of said Section 27 is to be dedicated to said well forming a standard 320-acre gas spacing unit. Said unit is located approximately 10 miles west of Tatum, New Mexico.

CASE 10858: Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located south of Highway 180 some 10 miles northeast of the intersection of Highways 176 and 180 and are approximately 8 miles northeast of Laguna Gatuna, New Mexico.

CASE 10521: (Reopened)

In the matter of Case No. 10521 being reopened pursuant to the provisions of Order No. R-8170-L which order promulgated special rules and regulations for the South Blanco-Pictured Cliffs Pool establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony should it become apparent that continuation of a minimum gas allowable will not serve to prevent waste and protect correlative rights. This cause will be continued to a January 1994 docket.

CASE 10036: (Reopened)

In the matter of Case No. 10036 being reopened pursuant to the provisions of Order No. R-8170-G which order promulgated special rules and regulations for the Eumont Gas Pool, establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Eumont Gas Pool. This cause will be continued to a January 1994 docket.

CASE 10859: Application of Hallwood Petroleum, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the E/2 of Section 33, Township 30 North, Range 12 West. Said unit is to be dedicated to a well to be drilled at a standard location in the E/2 of said Section 33 to test any and all formations to the base of the Pictured Cliffs formation including the Fruitland formation, Basin-Fruitland Coal Gas Pool and the Pictured Cliffs formation, Fulcher Kutz-Pictured Cliffs Gas Pool. 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 2 miles southeast of Flora Vista, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 4, 1993
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 34-93 and 35-93 are tentatively set for November 18, 1993 and December 2, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

CASE 10856: Application of Hanson Operating Company, Inc., for a high angle/horizontal directional drilling pilot project and for special operating rules therefore, Roosevelt County, New Mexico. Applicant seeks authority to initiate a short-radius high angle/horizontal directional drilling pilot project in the NW/4 SE/4 of Section 17, Township 8 South, Range 37 East, being a standard 40-acre oil spacing and proration unit in the Undesignated North Allison-San Andres Pool. Applicant proposes to utilize its existing Tuxedo Federal Well No. 1 located 1990 feet from the South line and 2004 feet from the East line (Unit J) of said Section 17 by kicking-off from vertical at an approximate depth of 4825 feet, 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 any drainhole in said project area to within 330 feet of the outer boundary of said 40-acre unit. Said project area is located approximately 9.75 miles south by east of Milnesand, New Mexico.

CASE 10857: Application of Phillips Petroleum Company for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location for its Lone Ranger Well No. 21 to be drilled 2260 feet from the South line and 450 feet from the East line and (Unit I) of Section 27, Township 12 South, Range 34 East, West Ranger Lake-Devonian Gas Pool. The E/2 of said Section 27 is to be dedicated to said well forming a standard 320-acre gas spacing unit. Said unit is located approximately 10 miles west of Tatum, New Mexico.

CASE 10858: Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located south of Highway 180 some 10 miles northeast of the intersection of Highways 176 and 180 and are approximately 8 miles northeast of Laguna Gatuna, New Mexico.

CASE 10521: (Reopened)

In the matter of Case No. 10521 being reopened pursuant to the provisions of Order No. R-8170-L which order promulgated special rules and regulations for the South Blanco-Pictured Cliffs Pool establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony should it become apparent that continuation of a minimum gas allowable will not serve to prevent waste and protect correlative rights. This cause will be continued to a January 1994 docket.

CASE 10036: (Reopened)

In the matter of Case No. 10036 being reopened pursuant to the provisions of Order No. R-8170-G which order promulgated special rules and regulations for the Eumont Gas Pool, establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Eumont Gas Pool. This cause will be continued to a January 1994 docket.

CASE 10859: Application of Hallwood Petroleum, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the E/2 of Section 33, Township 30 North, Range 12 West. Said unit is to be dedicated to a well to be drilled at a standard location in the E/2 of said Section 33 to test any and all formations to the base of the Pictured Cliffs formation including the Fruitland formation, Basin-Fruitland Coal Gas Pool and the Pictured Cliffs formation, Fulcher Kutz-Pictured Cliffs Gas Pool. 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 2 miles southeast of Flora Vista, New Mexico.

CASE 10876: Application of Klabzuba Oil and Gas for an unorthodox oil well location, Chaves County, New Mexico. Applicant seeks authority to drill its White "B" Well No. 1 at an unorthodox oil well location 611 feet from the South line and 1297 feet from the East line (Unit P) of Section 1, Township 10 South, Range 27 East, in the Devonian formation, Undesignated Devonian Oil Pool. The SE/4 SE/4 of said Section 1 should be dedicated to the well. Said area is located approximately 4 miles west of Silman Lake.

CASE 10877: Application of Klabzuba Oil and Gas for an unorthodox oil well location, Chaves County, New Mexico. Applicant seeks authority to drill its White "A" Well No. 1 at an unorthodox oil well location 598 feet from the North line and 1308 feet from the East line (Unit A) of Section 12, Township 10 South, Range 27 East, in the Devonian formation, Race Track-Devonian Pool. The NE/4 NE/4 of said Section 12 should be dedicated to the well. Said area is located approximately 4 miles west of Silman Lake.

CASE 10878: Applicant seeks to initiate a horizontal directional drilling pilot project in the Devonian formation, South Crossroads-Devonian Pool, underlying the N/2 N/2, SW/4 NW/4 and SW/4 NE/4 of Section 2, Township 15 South, Range 37 East. Applicant proposes to reenter its existing wells in the project area, kick-off from vertical in a direction to be determined while drilling and build angle at an appropriate rate to vertically and horizontally traverse the proposed project area. Applicant further seeks the adoption of special operating provisions and rules within the project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 100 feet to any boundary of the project area; for special project allowables; and an administrative procedure for approval of additional horizontal wellbores in the project area. Said project is located approximately 7 miles northeast of Lovington, New Mexico.

CASE 10879: Application of Texaco Exploration and Production Inc. for downhole commingling, Lea County, New Mexico. Applicant seeks approval to downhole commingle Jalmat and Langlie Matix oil production within seven certain wells (two existing and five to be drilled) in its Cooper Jal Unit located in Sections 13 and 24, Township 24 South, Range 36 East and Section 19, Township 24 South, Range 37 East. Said area is located approximately six miles north by west of Jal, New Mexico.

CASE 10880: Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks authority to drill its Huerfano Unit Well No. 504 at an unorthodox ("off-pattern") coal gas well location 1495 feet from the South line and 1740 feet from the East line (Unit J) of Section 22, Township 26 North, Range 9 West, to be dedicated to a standard 320-acre spacing unit consisting of the S/2 of said Section 22. Said location is approximately 7 miles north-northeast from the Blanco Trading Post, New Mexico.

CASE 10881: Application of Conoco Inc. to amend Rule 5(b) and Rule 6 of the Special Rules and Regulations for the South Dagger Draw-Upper Pennsylvanian Pool (Division Order No. R-5353), and pool extension, Eddy County, New Mexico. Applicant seeks an amendment to Rule 5(b) of Order No. R-5353 thereby authorizing simultaneous dedication of both gas wells and oil wells to the same spacing unit and an amendment to Rule 6 of Order R-5353 to reduce the limiting gas-oil ratio to 4,500 cubic feet of gas for each barrel of oil produced in said pool. Applicant further seeks the extension of said pool to include the E/2 of Section 16, E/2 of Section 34, and all of Section 35, Township 20 South, Range 24 East and all of Sections 34 and 35, Township 20-1/2 South, Range 23 East. The approximate center of said pool is located approximately 10 miles southeast of Hope, New Mexico.

CASE 10858: (Readvertised)

Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located north of Highway 180 some 4.75 miles northeast of the intersection of Highways 176 and 180 and are approximately 2.75 miles northeast of Laguna Gatuna, New Mexico.

CASE 10882: Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico. Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

CASE 10871: (Readvertised)

Application of Santa Fe Energy Partners, L.P. for compulsory pooling and to shut-in a producing well, and for a non-standard spacing and proration unit, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 10, Township 20 South, Range 24 East, forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the South Dagger Draw-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. Applicant also requests that the existing Yates Petroleum Corporation Judith "AJJ" Fed. Well No. 1, located 660 feet from the South and East lines of Section 9, Township 20 South, Range 24 East, be shut-in pending the drilling and completion of applicant's proposed well. Further, applicant requests approval for a non-standard spacing and proration unit in the South Dagger Draw-Upper Pennsylvanian Associated Pool for the proposed Ocotillo "ACI" Fed. Com Well No. 2 to be located at a standard location in the SE/4 of Section 10, Township 20 South, Range 24 East. Said area is located approximately 2 miles west of Seven Rivers, New Mexico.

CASE 10848: (Continued from November 4, 1993, Examiner Hearing.)

Application of Conoco Inc. and Marathon Oil Company for exceptions to Rule 5(b) of the special rules and regulations of the South Dagger Draw-Upper Pennsylvanian Pool as promulgated by Division Order No. R-5353, as amended, or in the alternative, for the creation of a new pool with the adoption of special rules for said pool, Eddy County, New Mexico. Applicants seek exceptions to Rule 5(b) of the Special Rules and Regulations for the South Dagger Draw-Upper Pennsylvanian Pool as promulgated by Order No. R-5353 as amended, thereby authorizing simultaneous dedication of acreage to both gas wells and oil wells within Sections 34, 35, and 36, Township 20 South, Range 24 East and Sections 34, 35, and 36, Township 20-1/2 South, Range 23 East. In the alternative, applicants seek the contraction of the South Dagger Draw-Upper Pennsylvanian Pool and the concomitant creation of a new pool comprising the above-described acreage with the adoption of special rules and regulations including those set forth in Order No. R-5353 but modified to allow simultaneous dedication of spacing units to multiple gas and oil wells and establishment of appropriate allowables therefor. Said area is located approximately 22 miles southeast of Hope, New Mexico.

CASE 10856: (Continued from December 16, 1993, Examiner Hearing.)

Application of Hanson Operating Company, Inc., for a high angle/horizontal directional drilling pilot project and for special operating rules therefore, Roosevelt County, New Mexico. Applicant seeks authority to initiate a short-radius high angle/horizontal directional drilling pilot project in the NW/4 SE/4 of Section 17, Township 8 South, Range 37 East, being a standard 40-acre oil spacing and proration unit in the Undesignated North Allison-San Andres Pool. Applicant proposes to utilize its existing Tuxedo Federal Well No. 1 located 1990 feet from the South line and 2004 feet from the East line (Unit J) of said Section 17 by kicking-off from vertical at an approximate depth of 4825 feet, 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 any drainhole in said project area to within 330 feet of the outer boundary of said 40-acre unit. Said project area is located approximately 9.75 miles south by east of Milnesand, New Mexico.

CASE 10839: (Readvertised)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 28, Township 18 South, Range 34 East, forming a standard 640-acre gas spacing and proration unit for any Morrow Pools within said vertical extent which presently includes the Undesignated West La Rica-Morrow Gas Pool. Said unit is to be dedicated to its Ekay 28 State Well No. 1, to be drilled at an orthodox location within Unit J, 1980 feet from the South and East lines 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 12 miles southeast of Maljamar, New Mexico.

CASE 10891: Application of Southland Royalty Company for approval of a waterflood project and qualification for the recovered oil tax rate, Lea County, New Mexico. Applicant seeks authority to institute its State "DS" Leasehold Waterflood Project by the injection of water into the San Andres formation, Spencer-San Andres Pool, a new project area consisting of 280 acres, more or less, being the SW/4, W/2 SE/4, and SE/4 SE/4 of Section 24, Township 17 South, Range 36 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 5 1/2 miles northwest of Humble city, New Mexico.

CASE 10858: (Readvertised - Continued from December 2, 1993, Examiner Hearing.)

Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located north of Highway 180 some 4.75 miles northeast of the intersection of Highways 176 and 180 and are approximately 2.75 miles northeast of Laguna Gatuna, New Mexico.

CASE 10521: (Reopened - Continued from November 4, 1993, Examiner Hearing.)

In the matter of Case No. 10521 being reopened pursuant to the provisions of Order No. R-8170-L which order promulgated special rules and regulations for the South Blanco-Pictured Cliffs Pool establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony should it become apparent that continuation of a minimum gas allowable will not serve to prevent waste and protect correlative rights. This cause will be continued to a January 1994 docket.

CASE 10036: (Reopened - Continued from November 4, 1993, Examiner Hearing.)

In the matter of Case No. 10036 being reopened pursuant to the provisions of Order No. R-8170-G which order promulgated special rules and regulations for the Eumont Gas Pool, establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Eumont Gas Pool. This cause will be continued to a January 1994 docket.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 6, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 3-94 and 4-94 are tentatively set for January 20, 1994 and February 3, 1994. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 10812: (Continued from October 21, 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 10888: (Continued from December 16, 1993, Examiner Hearing.)

Application of Merriam Oil & Gas Corporation for compulsory pooling and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin Dakota Pool underlying Lots 1 through 8 (N/2 equivalent) of Section 24, Township 27 North, Range 7 West, being a non-standard 352.07 acre gas spacing and proration unit presently dedicated to a well located 1720 feet from the North line and 1000 feet from the East line (Unit H) of said Section 24. The applicant proposes to drill an infill well at a standard gas well location in Lot 3 (NE/4 NW/4 equivalent) of said Section 24 in which said unit is also to be simultaneously dedicated. Also to be considered will be the cost of drilling and completing said infill 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 infill well. Said area is located approximately 20 miles southeast by east of Blanco, New Mexico.

CASE 10890: Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks authority to drill its Kachina 5 Fed. Well No. 7 at an unorthodox oil well location 2130 feet from the North line and 990 feet from the West line (Unit E) of Section 5, Township 18 South, Range 33 East, to test the Wolfcamp formation (South Corbin-Wolfcamp Pool). The S/2 NW/4 of said Section 5 is to be dedicated to said well. Said well is located approximately 5 1/2 miles southeast of Maljamar, New Mexico.

CASE 10829: (Readvertised - Continued from December 2, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company 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 32, Township 18 South, Range 34 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; the W/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, including the EK-Bone Spring Pool; and the NW/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 the applicant's Larica 32 St. Well No. 1, to be drilled at an orthodox 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 the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles west of the intersection of State Highway 529 and 8.

CASE 10870: (Continued from December 16, 1993, Examiner Hearing.)

Application of Pogo Producing Company for special pool rules for the Los Medanos-Delaware and West Sand Dunes-Delaware Pools, Eddy County, New Mexico. Applicant seeks the promulgation of special pool rules for both the Los Medanos-Delaware and West Sand Dunes-Delaware Pools including a provision for a gas-oil ratio limitation of 8,000 cubic feet of gas per barrel of oil. The Los Medanos-Delaware Pool covers all or parts of Sections 9, 16, and 17 and the West Sand Dunes-Delaware Pool covers all or parts of Sections 20, 21, 28, 29, 32, and 33, all in Township 23 South, Range 31 East. Said area is located approximately at mile marker 15 on State Highway 128.

CASE 10888: (Continued from January 6, 1994, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation for compulsory pooling and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin Dakota Pool underlying Lots 1 through 8 (N/2 equivalent) of Section 24, Township 27 North, Range 7 West, being a non-standard 352.07 acre gas spacing and proration unit presently dedicated to a well located 1720 feet from the North line and 1000 feet from the East line (Unit H) of said Section 24. The applicant proposes to drill an infill well at a standard gas well location in Lot 3 (NE/4 NW/4 equivalent) of said Section 24 in which said unit is also to be simultaneously dedicated. Also to be considered will be the cost of drilling and completing said infill 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 infill well. Said area is located approximately 20 miles southeast by east of Blanco, New Mexico.

CASE 10897: Application of Conoco Inc. for approval of the expansion of a waterflood project, to qualify said project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, and for the expansion and contractions of certain pools, Lea County, New Mexico. Applicant seeks approval of an Expansion of its Warren Blinebry-Tubb Waterflood Project by the injection of water into the Warren Blinebry-Tubb Oil and Gas Pool, the expansion of said pool to include portions or all of Sections 20, 21, 28 and 29, Township 20 South, Range 38 East, in an area consisting of 1,280 acres, more or less, and the concomitant contraction of the Blinebry Oil and Gas Pool and the Warren-Tubb Gas Pool from said area. Applicant further seeks to qualify said expansion area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 5-1/2 miles south-southwest of Nadine, New Mexico.

CASE 10898: Application of Yates Petroleum Corporation for pool creation and the promulgation of special pool rules, Eddy County, New Mexico. Applicant seeks the creation of a new pool for the production of oil from the Wolfcamp formation underlying the NW/4 of Section 34, Township 18 South, Range 25 East and for the promulgation of special rules and regulations therefor including provisions for 160-acre oil spacing and proration units, designated well location requirements and a limit on the number of wells in a single proration unit. The proposed pool boundary is located approximately 5 1/2 miles west-southwest of Dayton, New Mexico.

CASE 10858: (Continued from January 6, 1994, Examiner Hearing.)

Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located north of Highway 180 some 4.75 miles northeast of the intersection of Highways 176 and 180 and are approximately 2.75 miles northeast of Laguna Gatuna, New Mexico.

CASE 10920: Application of Meridian Oil Inc. for downhole commingling and unorthodox gas well locations, San Juan County, New Mexico. Applicant seeks approval to drill its proposed C. M. Morris Well No. 100 at an unorthodox gas location 1340 feet from the North line and 1405 feet from the East line, (Unit G) of Section 10, Township 27 North, Range 10 West and to downhole commingle Fulcher Kutz-Pictured Cliffs Gas Pool production (NE/4 dedication) with the Basin-Fruitland Coal Gas Pool production (E/2 dedication) within the wellbore. Said well is located approximately 2.5 miles northwest of Angels Peak, New Mexico. Applicant also seeks to drill its proposed Huerfano Unit Com Well No. 509 at an unorthodox gas well location 775 feet from the North line and 545 feet from the West line (Unit D) of Section 30, Township 27 North, Range 10 West and to downhole commingle Fulcher Kutz-Pictured Cliffs Gas Pool production (NW/4 dedication) and the Basin-Fruitland Coal Gas Pool production (N/2 dedication) within the wellbore. Said well is located approximately 4.25 miles west-southwest from Angels Peak, New Mexico.

CASE 10921: Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle Fulcher Kutz-Pictured Cliffs Gas Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its: (1) Huerfano Unit Well No. 74, located in Unit M of Section 19, Township 27 North, Range 10 West, an existing Pictured Cliffs formation well dedicated to the SW/4 of Section 19 with the W/2 of said Section to be dedicated to coal gas production. (2) West Kutz-Pictured Cliffs Gas Pool and the Basin-Fruitland Coal Gas Pool production within the wellbore of its Huerfano Unit Well No. 18 located in Unit M of Section 32, Township 27 North, Range 10 West, an existing Pictured Cliffs Formation well dedicated to the SW/4 of Section 32 with the S/2 of said Section to be dedicated to coal gas production. Said wells are located approximately 4 miles southwest of Angels Peak, New Mexico.

CASE 10521: (Reopened- Continued from January 6, 1994, Examiner Hearing.)

In the matter of Case No. 10521 being reopened pursuant to the provisions of Order No. R-8170-L which order promulgated special rules and regulations for the South Blanco-Pictured Cliffs Pool establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony should it become apparent that continuation of a minimum gas allowable will not serve to prevent waste and protect correlative rights. This cause will be continued to a January 1994 docket.

CASE 10036: (Reopened - Continued from January 6, 1994, Examiner Hearing.)

In the matter of Case No. 10036 being reopened pursuant to the provisions of Order No. R-8170-G which order promulgated special rules and regulations for the Eumont Gas Pool, establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Eumont Gas Pool. This cause will be continued to a January 1994 docket.

CASE 10111: (Reopened - Continued from January 6, 1994, Examiner Hearing.)

In the matter of Case 10111 being reopened pursuant to the provisions of Division Order No. R-8170-J, as amended, which order established minimum gas allowables in the Jalmat Gas Pool in Lea County. Operators in said pool may appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Jalmat Gas Pool. This case will be continued to the January 6, 1994, hearing.

CASE 10858: (Continued from January 20, 1994, Examiner Hearing.)

Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located north of Highway 180 some 4.75 miles northeast of the intersection of Highways 176 and 180 and are approximately 2.75 miles northeast of Laguna Gatuna, New Mexico.

CASE 10914: Application of Marathon Oil Company for compulsory pooling, unorthodox well location and a non-standard gas proration and spacing unit, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco formation underlying Section 36, Township 20 1/2 South, Range 23 East, forming either a standard 345.4-acre oil-gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which may presently include but is not necessarily limited to the South Dagger Draw-Upper Pennsylvanian Associated Pool, OR IN THE ALTERNATIVE forming a non-standard 345.4-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, which may presently include but is not necessarily limited to the Indian Basin-Upper Pennsylvanian Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a well location 660 feet from the North line and 1650 feet from the East line of Section 36, said location being unorthodox if dedicated to the Indian Basin Upper Pennsylvanian Gas Pool. 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 10 miles southeast of Hope, New Mexico.

CASE 10915 Application of Conoco Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an unorthodox producing interval, San Juan County, New Mexico. Applicant seeks authority to initiate a high angle/horizontal directional drilling project in the Basin Fruitland Coal Gas Pool with special operating rules, including the designation of a prescribed area limiting the surface location and the horizontal displacement of the wellbore such that its surface location and producing interval be no closer than 790 feet to the outer boundary of its spacing unit being a standard 320-acre spacing unit consisting of the E/2 of Section 20, Township 29 North, Range 8 West. Said project area is located approximately 5.5 miles southwest of Navajo City, New Mexico.

CASE 10916: Application of Conoco Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an unorthodox producing interval, San Juan County, New Mexico. Applicant seeks authority to initiate a high angle/horizontal directional drilling pilot project in the Basin Fruitland Coal Gas Pool with special operating rules, including the designation of a prescribed area limiting the surface location and the horizontal displacement of the wellbore such that its surface location and producing interval be no closer than 790 feet to the outer boundary of its spacing unit being a standard 320-acre spacing unit consisting of the W/2 of Section 23, Township 29 North, Range 8 West. Said project area is located approximately 4 miles southwest of Navajo City, New Mexico.

CASE 10917: Application of Conoco Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an unorthodox producing interval, San Juan County, New Mexico. Applicant seeks authority to initiate a high angle/horizontal directional drilling pilot project in the Basin Fruitland Coal Gas Pool with special operating rules, including the designation of a prescribed area limiting the surface location and the horizontal displacement of the wellbore such that its surface location and producing interval be no closer than 790 feet to the outer boundary of its spacing unit being a standard 320-acre spacing unit consisting of the W/2 of Section 18, Township 32 North, Range 11 West. Said project area is located approximately 8 miles northwest of Cedar Hill, New Mexico.

CASE 10918: Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle Aztec-Pictured Cliffs Gas Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its: (1) Neudecker Well No. 2, located 1650 feet from the North and East lines (Unit G) of Section 35, Township 29 North, Range 10 West, an existing Pictured Cliffs formation well dedicated to the NE/4 of Section 35 with the E/2 of said Section to be dedicated to coal gas production. Said well is located approximately 3 miles south-southwest from Blanco, New Mexico. (2) Zachry Well No. 11 located 990 feet from the South and West lines (Unit M) of Section 10, Township 28 North, Range 10 West, an existing Pictured Cliffs formation well dedicated to a previously approved non-standard spacing unit consisting of part of Sections 9 and 10 with all of Section 10 to be dedicated to coal gas production. Said well is located approximately 4.5 miles southwest of Blanco, New Mexico. (3) Pierce Federal A Well No. 1 located 990 feet from the North and East lines (Unit A) of Section 34, Township 29 North, Range 10 West, an existing Pictured Cliffs formation well dedicated to the NE/4 of Section 34 with the N/2 of said Section to be dedicated to coal gas production. Said well is located approximately 3 miles southwest of Blanco, New Mexico.

CASE 10919: Application of Meridian Oil Inc. for an unorthodox gas well location and downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle Fulcher Kutz-Pictured Cliffs Gas Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its Lodewick Well No. 1, an existing Pictured Cliffs formation well, located 990 feet from the North and West lines, (Unit D) of Section 18, Township 27 North, Range 9 West. Said well would be an "off-pattern" unorthodox coal gas well and would be dedicated to a standard 320-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool being the W/2 of Section 18 and to a standard 160-acre gas spacing unit for the Fulcher Kutz-Pictured Cliffs Gas Pool being the NW/4 of Section 18, located approximately 2 miles northeast of Angels Peak, New Mexico.

CASE 10943: Application of Enron Oil & Gas Company for special pool rules, Lea County New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Red Hills-Bone Spring Pool located in Section 13, Township 25 South, Range 33 East, including a provision for 80-acre spacing and proration units and designated well location requirements. Said area is located approximately 5.5 miles south by west of the junction of New Mexico State Highway No. 128 and the Delaware Basin Pool.

CASE 10944: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described acreage in Section 20, Township 18 South, Range 28 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, which presently includes but is not necessarily limited to the Undesignated North Illinois Camp-Morrow Gas Pool and the NW/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 units are to be dedicated to a single well to be drilled at a standard location thereon. Also to be considered will be the costs 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 said well. Said area is located approximately 14 miles west-southwest of Loco Hills, New Mexico.

CASE 10945: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described acreage in Section 21, Township 18 South, Range 28 East, and in the following manner: 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, which presently includes but is not necessarily limited to the Undesignated North Illinois Camp-Morrow Gas Pool on the Undesignated North Turkey Track-Morrow Gas Pool; the NW/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 NW/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Illinois Camp-Bone Spring Pool. Said units are to be dedicated to a single well to be drilled in Unit "E" of said Section 21. Also to be considered will be the costs 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 said well. Said area is located approximately 13 miles west-southwest of Loco Hills, New Mexico.

CASE 10946: Application of Louis Dreyfus Natural Gas Corp. 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 Morrow formation underlying the N/2 of Section 21, Township 18 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, which presently includes but is not necessarily limited to the Undesignated Palmillo Draw-Atoka Gas Pool and the Undesignated North Illinois Camp-Morrow Gas Pool. Said unit is to be dedicated a well to be drilled at a standard gas well location thereon. Also to be considered will be the costs 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 said well. Said unit is located approximately 13 miles west-southwest of Loco Hills, New Mexico.

CASE 10858: (Continued from February 17, 1994, Examiner Hearing.)

Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located north of Highway 180 some 4.75 miles northeast of the intersection of Highways 176 and 180 and are approximately 2.75 miles northeast of Laguna Gatuna, New Mexico.

CASE 10947: 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 Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Silurian Devonian production and designated as the Bar U-Devonian Pool. The discovery well is the MW Petroleum Corporation State 10 Well No. 1 located in Unit B of Section 10, Township 9 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NMPM
Section 10: NE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Brinninstool-Delaware Pool. The discovery well is the Santa Fe Energy Operating Partners L. P. Tristle Unit Well No. 1 located in Unit C of Section 33, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM

Section 33: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Dios Mano-Delaware Pool. The discovery well is the Harvey E. Yates Company EKay 28 State Well No. 3 located in Unit O of Section 28, Township 18 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 28: SE/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Feather-Morrow Gas Pool. The discovery well is the H. L. Brown Jr. North Feather State Unit Well No. 1 located in Unit H of Section 16, Township 15 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM

Section 16: N/2

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Mesa Verde-Delaware Pool. The discovery well is the Enron Oil & Gas Company Mesa Verde 6 Federal Well No. 2 in Unit J of Section 6, Township 24 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 6: SE/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Saunders-San Andres Pool. The discovery well is the Charles B. Gillespie Jr. State Q Well No. 2 located in Unit K of Section 4, Township 15 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 33 EAST, NMPM

Section 4: SW/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the North Teague-San Andres Pool. The discovery well is the Texaco Exploration & Production Inc. B. F. Harrison B Well No. 18 located in Unit D of Section 9, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

Section 9: NW/4

- (h) EXTEND the Antelope Ridge-Morrow Gas Pool in Lea County, New Mexico to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 2: S/2

- (i) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 17: SE/4

- (j) EXTEND the West Blinebry Pool in Lea County, New Mexico to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

Section 3: N/2

CASE 10968: Application of Siete Oil and Gas Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation through the perforated interval from approximately 3714 feet to 3964 feet in its State "MA" Well No. 1 located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 3, Township 25 South, Range 28 East, NMPM. This well is located approximately 4 miles south of Malaga, New Mexico.

CASE 10858: (Continued from March 17, 1994, Examiner Hearing.)

Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located north of Highway 180 some 4.75 miles northeast of the intersection of Highways 176 and 180 and are approximately 2.75 miles northeast of Laguna Gatuna, New Mexico.