

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 17, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 10-94 and 1-94 are tentatively set for March 31, 1994 and April 7, 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 March 3, 1994, 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 10934:** Application of Southwest Royalties, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the San Andres formation or to a depth of 4900 feet, whichever is deeper, underlying the NE/4 SW/4 of Section 29, Township 18 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also 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 6.5 miles southwest by south of Humble City, New Mexico.

CASE 10935: Application of Strata Production Company for special pool rules, Eddy County New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the North Draw-Brushy Canyon Pool including a provision for a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil. Said pool is located in portions of Township 23 South, Ranges 29 and 30 East, and is situated approximately 10 miles east by north of Loving, New Mexico.

CASE 10936: Application of Strata Production Company for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location to be drilled to test the Nash Draw-Brushy Canyon 1230 feet from the North line and 1350 feet from the West line (Unit C) of Section 18, Township 23 South, Range 30 East. The NE/4 NW/4 of said Section 18 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 10 miles west by north of Loving, New Mexico.

CASE 10937: Application of BTA Oil Producers for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 104.C(2) as outlined in Division Memorandum dated August 3, 1990, to authorize the concurrent production of its Hudson State 8016 JV-P Well No. 1-Y, located 860 feet from the North line and 1980 feet from the West line (Unit C) of Section 11, Township 23 South, Range 34 East, and its Hudson State 8016 JV-P Well No. 2, located at a previously approved unorthodox gas well location 1980 feet from the North line and 990 feet from the West line (Unit E) of said Section 11 and the simultaneous dedication of said wells to a standard 320-acre gas spacing and proration unit comprising the N/2 of said Section 11 for production from the Antelope Ridge-Atoka Gas Pool. Said unit is located approximately 18 miles southwest of Eunice, New Mexico.

CASE 10938: Application of Primero Operating, Inc. for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pennsylvanian formation underlying the E/2 of Section 10, Township 15 South, Range 27 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 Buffalo Valley-Pennsylvanian Gas Pool. Applicant proposes to re-enter the plugged and abandoned BTA Oil Producers Atoka 7109 JV-D Well No. 1, located 1650 feet from the South line and 990 feet from the East line (Unit I) of said Section 10 and to dedicate this well to said unit. Said location is considered a standard gas well location for the Undesignated Buffalo Valley-Pennsylvanian Gas Pool but unorthodox for any other zone spaced on 320 acres. Also to be considered will be the costs of re-entry, including valuation of the existing wellbore, and recompleting 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 said operation. Said unit is located approximately 8.5 miles southeast of Hagerman, New Mexico.

CASE 10914: (Continued from March 3, 1994 Examiner Hearing.)

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 10939: Application of Mewbourne Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well locations to be drilled 330 feet from the South line and 2210 feet from the West line (Unit N) of Section 23, Township 16 South, Range 28 East, to test the Undesignated Vandagriff Keys Gas Pool. The SW/4 of said Section 23 is to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said pool. Said unit is located approximately 15 miles east-northeast of Artesia, New Mexico.

CASE 10940: Application of Mewbourne Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location to be drilled 1667 feet from the North line and 2140 feet from the West line (Unit F) of Section 26, Township 16 South, Range 28 East, to test the Queen formation. The NW/4 of said Section 26 is to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said interval. Said unit is located approximately 15 miles east-northeast of Artesia, New Mexico.

CASE 10911: (Continued from March 3, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 31, Township 17 South, Range 27 East. Applicant proposes to reenter the Fasken Exxon AOF Federal Com Well No. 1 located at a standard location 1980 feet from the South and East lines of said Section 31 to test any and all formations to the base of the Morrow, Undesignated Red Lake-Pennsylvanian 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 7 miles east-southeast of Artesia, New Mexico.

CASE 10941: Application of Collins & Ware, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location to be drilled 2100 feet from the South line and 1500 feet from the West line (Unit K) of Section 10, Township 17 South, Range 37 East, to test the Undesignated Humble City-Strawn Pool. The E/2 SW/4 of said Section 10 is to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 4 miles north-northwest of Humble City, New Mexico.

CASE 10942: Application of Enserch Exploration, Inc. for downhole commingling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle production from the South Peterson-Fusselman Pool and the South Peterson-Pennsylvanian Associated Pool within the wellbore of its Lambirth Well No. 3 (API No. 30-041-20454) located 1980 feet from the North and East lines (Unit G) of Section 31, Township 5 South, Range 33 East. Said well is located approximately 9 miles east by south of Kenna, New Mexico.

CASE 10912: (Continued from March 3, 1994, Examiner Hearing.)

Application of Enron Oil & Gas Company for downhole commingling, Eddy County, New Mexico. Applicant seeks approval to downhole commingle production from the Morrow formation, West Sand Dunes-Morrow Gas Pool, and Atoka formation, West Sand Dunes-Atoka Gas Pool, within the wellbore of its Pure Gold "B" Federal Well No. 2 located 660 feet from the North line and 1980 feet from the East line of Section 20, Township 23 South, Range 31 East. Said area is located near Mile Marker 14 on State Highway 128.