

**DOCKET: EXAMINER HEARING - THURSDAY - MAY 26, 1994**  
**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

Dockets Nos. 17-94 and 18-94 are tentatively set for June 9, 1994 and June 23, 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 10972:** (Continued from May 12, 1994, Examiner Hearing.)

**Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the W/2 of Section 28, Township 26 North, Range 11 West, forming a standard 320-acre coal gas spacing and proration unit for said pool. Said unit is to be dedicated to the existing Buena Suerte 28-M Well No. 1 located at a standard coal gas well location 795 feet from the South line and 1210 feet from the West line (Unit M) 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 overlain by the community of Huerfano.

**CASE 10976:** **Application of Harvey E. Yates Company 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 E/2 of Section 32, Township 17 South, Range 31 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 at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 1.5 miles southwest of the junction of U.S. Highway 82 and State Road 529.

**CASE 10839:** (Continued from April 14, 1994, Examiner Hearing.)

**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 the E/2 of Section 28, Township 18 South, Range 34 East, forming a standard 320-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 of said E/2 proration unit, 2050 feet from the South line and 1800 feet from the East line 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 10977:** **Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location, and non-standard gas proration unit, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location to be drilled 1868 feet from the North line and 130 feet from the East line (Unit H) of irregular Section 7, Township 22 South, Range 24 East, Indian Basin-Upper Pennsylvanian Gas Pool. All of said Section 7 is to be dedicated to said well forming a non-standard 617.68-acre gas spacing and proration unit for said pool. Said unit is located approximately 4.5 miles south-southeast of the Marathon Oil Company Indian Basin Gas Plant.

**CASE 10978:** **Application of Marathon Oil Company to amend Division Order No. R-10082, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks to amend Division Order No. R-10082 to authorize the applicant at its discretion to utilize either the J. M. Denton Well No. 4 located in the NE/4 SW/4 (Unit K) of Section 11, Township 15 South, Range 37 East or, in the alternative, its previously approved J. M. Denton Well No. 5 located in the SE/4 SW/4 (Unit N) of said Section 11, as the initial well for its high angle/horizontal/directional drilling project approved by said Order No. R-10082 in the Denton-Devonian Pool, underlying a Project Area being the SW/4, N/2 SE/4 and SE/4 SE/4 of said Section 11. Applicant further seeks the designation of a target window for said well such that the horizontal or producing portion of said wellbore shall be no closer than 330 feet to any outer boundary of the project area. Said project is located approximately 4.5 miles south-southeast of Prairieview, New Mexico.

**CASE 10979:** **Application of Naumann Oil & Gas, Inc. for compulsory pooling, an unorthodox gas well location and a non-standard gas proration and spacing unit, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Carlsbad-Strawn Gas Pool underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 7, Township 22 South, Range 27 East, forming a non-standard 307.02-acre gas spacing and proration unit. Said unit is to be dedicated to the existing Carlsbad "7" Well No. 1 which is located at an unorthodox gas well location 760 feet from the South line and 690 feet from the West line (Unit M) of said Section 7 and was originally drilled as a Morrow formation gas well in the South Carlsbad-Morrow Gas Pool. Also to be considered will be the value of the existing wellbore and the costs of reentering 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 in an area generally bounded on the north side by Lea Street, on the east side by San Jose Blvd., on the south side being some 1300 feet south of the south end of the Carlsbad Cemetery and on the west side by Boyd Drive all within the City of Carlsbad, New Mexico.

**CASE 10980:** **Application of Odyssey Partners, Ltd. for a unit agreement and an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval of the Marigold Unit Agreement for an area comprising 80 acres of Federal and Fee lands and consisting of the SW/4 SE/4 of Section 6 and the NW/4 NE/4 of Section 7, both in Township 12 South, Range 38 East. Also the applicant seeks approval for an unorthodox oil well location to be drilled 100 feet from the North line and 2075 feet from the East line (Unit B) of said Section 7, whereby the NW/4 NE/4 of said Section 7 is to be dedicated to the well to form a standard 40-acre oil spacing and proration unit for said well. Applicant further requests approval of the unorthodox oil well location as to all prospective pools and/or formations being developed on 40-acre spacing including but not necessarily limited to the Devonian formation. Said unit is located approximately 5 miles northwest by west of Blanco, Texas.

**CASE 10981:** **Application of Yates Petroleum Corporation to amend Division Order No. R-9976 to expand its pilot gas enhanced recovery project within portions of the Pecos Slope-Abo Gas Pool, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks to amend Division Order No. R-9976 to expand its pilot project within portions of the Pecos Slope Abo-Gas Pool by adding spacing units upon which may drill an additional well to determine if infill development is necessary to effectively and efficiently drain the Abo formation. The requested expansion is to include portions of Townships 5, 6, and 7 South, Ranges 25 and 26 East.

**CASE 10974:** (Continued from May 12, 1994, Examiner Hearing.)

**Application of Mewbourne Oil Company 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 top of the Wolfcamp formation underlying the W/2 SE/4 of Section 32, Township 18 South, Range 34 East, forming an 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent, which presently includes only the Undesignated EK-Bone Spring Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location in the NW/4 SE/4 (Unit J) of said Section 32. 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 8.5 miles southwest by south of Buckeye, New Mexico.

**CASE 10982:** **Application of AnSon Gas Corporation 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 Strawn formation, underlying the NE/4 NW/4 (Unit C) of Section 8, Township 17 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4.5 miles north-northeast of Humble City, New Mexico.

**CASE 10983:** **Application of Collins & Ware, Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor; a non-standard oil proration unit, and a special project allowable, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Undesignated East Herradura Bend-Delaware Pool underlying the SW/4 NW/4 and NW/4 SW/4 of Section 31, Township 22 South, Range 29 East, to form a non-standard 80-acre oil spacing and proration unit for said pool. The applicant proposes to complete its existing Quahada Ridge Federal 31 Well No. 1, located at an orthodox surface location 2310 feet from the South line and 330 feet from the West line (Unit L) of said Section 31, by kicking-off from vertical in a northerly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Further, the applicant seeks the promulgation of special operating rules and procedures therefor including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 330 feet to any boundary of the project area, and for a special project allowable. Said area is located approximately 8 1/2 miles southeast of Carlsbad, New Mexico.

**CASE 10984:** **Application of Texaco Exploration and Production Inc. for amendment of special pool rules and regulations for the Monument-Tubb Pool, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks to amend the special pool rules and regulations for the Monument-Tubb Pool, as promulgated by Division Order No. R-2800, to increase the poolwide gas-oil ratio limitation from 4,000 to 10,000 cubic feet of gas per barrel of oil. Said pool currently comprises portions of Townships 19 and 20 South, Range 37 East, which is located approximately 3 to 5 miles southeast of Monument, New Mexico.