

Dockets Nos. 11-89 and 12-89 are tentatively set for April 12 and April 26, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 29, 1989

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO**

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

CASE 9200: (Reopened)

In the matter of Case 9200 being reopened pursuant to the provisions of Division Order No. R-8518, which promulgated temporary special rules and regulations for the South Shoe Bar-Upper Pennsylvanian Pool, Lea County, New Mexico, including a provision for 80-acre spacing units. Operators in the subject pool may appear and show cause why the South Shoe Bar-Upper Pennsylvanian Pool rules should not be rescinded.

CASE 9632: Application of Union Texas Petroleum Corporation for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location 1590 feet from the South line and 1000 feet from the East line (Unit 1) of Section 35, Township 31 North, Range 9 West, Basin-Fruitland Coal (Gas) Pool, Lots 1, 2, 7, 8, 9, 10, 15 and 16 (E/2 equivalent) of said Section 35 to be dedicated to the well forming a standard 315.92-acre gas spacing and proration unit for said pool. Said location is approximately 8 miles west northwest of the Navajo Reservoir Dam.

CASE 9633: Application of Sun Exploration and Production 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 base of the Morrow formation or to a depth of 13,700 feet, whichever is deeper, underlying the following described acreage in Section 27, Township 22 South, Range 34 East, and in the following described manner:

- the SW/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing;
- The SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing;
- the S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing (which presently includes, but not necessarily limited to the Undesignated Antelope Ridge-Atoka Gas Pool, Undesignated Ojo Chiso-Strawn Gas Pool, and the Ojo Chiso-Morrow Gas Pool).

All of the above-described units are to be dedicated to a single well to be drilled at a standard 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 operator of the well and a charge for risk involved in drilling said well. Said location is approximately 18 miles west by south of Eunice, New Mexico.

CASE 9634: Application of Sun Exploration and Production 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 base of the Morrow formation or to a depth of 13,760 feet, whichever is deeper, underlying the following described acreage in Section 26, Township 22 South, Range 34 East, and in the following described manner:

- the NE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing;
- the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing;
- the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing (which presently includes, but not necessarily limited to the Undesignated Antelope Ridge-Atoka Gas Pool, Undesignated Ojo Chiso-Strawn Gas Pool, and the Ojo Chiso-Morrow Gas Pool).

All of the above-described units are to be dedicated to a single well to be drilled at a standard 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 operator of the well and a charge for risk involved in drilling said well. Said location is approximately 17 miles west by south of Eunice, New Mexico.

CASE 9635: Application of Steve Sell for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1294 feet from the North line and 2063 feet from the West line (Unit C) of Irregular Section 5, Township 22 South, Range 24 East, Indian Basin-Upper Pennsylvanian Gas Pool, all of said Section 5, consisting of 692.88 acres, to be dedicated to the well forming a standard gas spacing and proration unit for said pool. Said location is approximately 4 miles southeast of the Marathon Oil Company's Indian Basin Gas Plant.

CASE 9553: (Reopened and Readvertised.)

Application of Benson-Montin-Greer Drilling Corp. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Basin-Dakota Pool and West Puerto Chiquito-Mancos Oil Pool within the wellbore of its Canada Ojitos Unit Well No. 22 located either 1685 feet from the North line and 1860 feet from the West line or 1700 feet from the North line and 1790 feet from the West line (Unit F) of Section 20, Township 26 North, Range 1 West. Said well is located approximately 20 miles north of Regina, New Mexico.

CASE 9636: Application of Grand Resources Inc. for statutory unitization, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the designated and Undesignated Mesa-Gallup Oil Pool underlying 4800.00 acres, more or less, of Navajo Indian lands in all or portions of Sections 10, 13, 14, 15, 23, 24 and 25, Township 32 North, Range 18 West and Section 30, Township 32 North, Range 17 West, all as projected into the unsurveyed Navajo Indian Reservation. Said unit is to be designated the Mesa-Gallup Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any nonconsenting working interest owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 12 miles north of Shiprock, New Mexico.

CASE 9637: Application of Grand Resources Inc. for a waterflood project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the designated and Undesignated Mesa-Gallup Oil Pool in its proposed Mesa-Gallup Unit Area (Division Case No. 9636) underlying all or portions of Sections 10, 13, 14, 15, 23, 24 and 25, Township 32 North, Range 18 West and Section 30, Township 32 North, Range 17 West, all as projected into the unsurveyed Navajo Indian Reservation. Said area is located approximately 12 miles north of Shiprock, New Mexico.

CASE 9619: (Readvertised)

Application of Santa Fe Exploration Company for an unorthodox gas well location, dual completion and compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and the Undesignated Indian Basin-Morrow Gas Pool, underlying all of Section 8, Township 21 South, Range 23 East, forming a standard 640-acre gas spacing and proration unit for both pools. Production from both zones is to be from a dually completed well to be drilled at an unorthodox gas well location 660 feet from the South and East lines (Unit P) of said Section 8. 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 location is approximately 3.75 miles west-northwest of the Marathon Oil Company Indian Basin Gas Plant.

CASE 9597: (Continued from March 1, 1989, Examiner Hearing.) (Readvertised)

Application of Meridian Oil, Inc. 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 16, Township 30 North, Range 8 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its Delhi Com Well No. 300 to be drilled at an unorthodox coal gas well location 570 feet from the South line and 185 feet from the West line (Unit M) of said Section 16. 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 well location is approximately 4 miles northwest by west of the Navajo Reservoir Dam.

CASE 9638: Application of Meridian Oil Inc. to amend Division Order No. R-8882, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8882 by changing the unorthodox coal gas well location approved in said Order for its Stanolind Gas Com Well No. 300 to a new location 705 feet from the North line and 1605 feet from the East line (Unit B) of Section 16, Township 30 North, Range 8 West. Said location is approximately 2.25 miles east-northeast of Archuleta, New Mexico.



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Memo No. 1-89

M E M O R A N D U M

TO: ALL OPERATORS AND INTERESTED PARTIES
FROM: WILLIAM J. LEMAY, DIVISION DIRECTOR *WJL*
SUBJECT: MAILING ADDRESS

Effective immediately, the mailing address of the Santa Fe office of the Oil Conservation Division will revert to Post Office Box 2088, Santa Fe, New Mexico 87504.

January 19, 1989
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Dockets Nos. 5-89 and 6-89 are tentatively set for February 15 and March 1, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 1, 1989

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Victor T. Lyon, Alternate Examiner:

CASE 9589: Application of Murphy Operating Corporation for expansion of unit area, Chaves and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks authority to expand the Haley Chaveroo San Andres Unit Area, authorized by Division Order No. R-8750, to include an additional 80 acres of State lands in Section 3, Township 8 South, Range 33 East, Chaveroo-San Andres Pool, Chaves County. Said unit area is located approximately 13 miles west of Milnesand, New Mexico.

CASE 9590: Application of Murphy Operating Corporation for area expansion of a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand the Haley Chaveroo San Andres Waterflood Project Area, authorized by Division Order No. R-8760, to include an additional 80 acres in Section 3, Township 8 South, Range 33 East, Chaveroo-San Andres Pool, Haley Chaveroo San Andres Unit Area. Said project area is located approximately 13 miles west of Milnesand, New Mexico.

CASE 9574: (Continued from January 18, 1989, Examiner Hearing.)

Application of Marshall Pipe & Supply for dual completion and salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Cook Well No. 1 located at a previously approved unorthodox gas well location (Order No. R-8618) 330 feet from the North line and 1980 feet from the East line (Unit B) of Section 34, Township 2 South, Range 29 East, by disposing of produced salt water down through tubing into the Undesignated Tule-Montoya Gas Pool in the perforated interval from 7104 feet to 7116 feet and continue producing gas from the Undesignated Tule-Pennsylvanian Gas Pool up the casing/tubing annulus. Said well is located approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9562: (Continued from January 4, 1989, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 following described acreage in Section 11, Township 20 South, Range 24 East, and in the following described manner:

the NE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing;

the N/2 NW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing;

the NW/4 to form a standard 160-acre oil or gas spacing and proration unit for the Undesignated Dagger Draw-Wolfcamp Gas Pool and Undesignated North Dagger Draw-Upper Pennsylvanian Oil Pool, and any and all formations and/or pools developed on 160-acre spacing;

the N/2 to form a standard 320-acre gas spacing and proration unit for the Undesignated Cemetery-Morrow Gas Pool and Undesignated Dagger Draw-Atoka Gas Pool and any and all formations and/or pools developed on 320-acre spacing.

All of the above-described units are to be dedicated to a well to be drilled at a standard location for each of the units.

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 area is located approximately 18 miles southeast of Hope, New Mexico.

CASE 9583: (Readvertised)

Application of Exxon Corporation for compulsory pooling and an unorthodox location, 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 top of the Mississippian formation, excepting however the Undesignated Empire Abo Pool, underlying the following described acreage in Section 17, Township 18 South, Range 27 East, and in the following described manner:

the NW/4 SW/4 (Unit L) to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within the above-described vertical limits developed on 40-acre spacing;

the W/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 80-acre spacing;

the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre spacing; and,

the W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing (which presently includes but not necessarily limited to the Undesignated Scoggin Draw Atoka Gas Pool and the Undesignated Kaiser Ranch Strawn Gas Pool.)

All of the above-described units to be dedicated to a single well to be drilled at an unorthodox location 2095 feet from the South line and 922 feet from the West line of said Section 17.

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 6 miles south of Riverside, New Mexico.

CASE 9582: (Continued from January 18, 1989, Examiner Hearing.)

Application of Strata Production Company for pool creation and special pool rules, or in the alternative for pool extension and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Bone Spring formation comprising Lots 2 and 7 of Section 4, Township 21 South, Range 32 East, and for the promulgation of special rules and regulations therefor including provisions for 80-acre spacing and proration units and designated well location requirements. IN THE ALTERNATIVE, the applicant seeks to extend the Hat Mesa-Bone Spring Pool to include Lots 1, 2, and 7 of said Section 4 and for the promulgation of special rules and regulations therefor including provisions for 80-acre spacing and proration units and designated well location requirements. Said area is located approximately 3.75 miles southeast of the junction of U.S. Highway 62/180 and Old New Mexico Highway No. 176.

CASE 9588: (Continued from January 18, 1989, Examiner Hearing.)

Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1980 feet from the North line and 990 feet from the West line (Unit E) of Section 26, Township 19 South, Range 25 East, Undesignated Boyd-Morrow Gas Pool or Undesignated Cemetery-Morrow Gas Pool, the N/2 of said Section 26 to be dedicated to said well forming a standard 320-acre proration unit for either pool. Said location is approximately 5 miles west of Lakewood, New Mexico.

CASE 9591: Application of Amerind Oil Company for compulsory pooling, directional drilling, and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing its re-entry into the plugged and abandoned State MTS Well No. 1 located 1830 feet from the South line and 660 feet from the East line (Unit I) of Section 2, Township 17 South, Range 37 East, wherein applicant proposes to deviate said well as to penetrate the Undesignated Shipp-Strawn Pool at an unorthodox bottomhole location 2310 feet from the South line and 330 feet from the East line of said Section 2. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill a new well at the above-described unorthodox location in order to test the Strawn formation. In either instance, the applicant FURTHER SEEKS an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the E/2 SE/4 of said Section 2, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing (which presently includes the Undesignated Shipp-Strawn Pool). Said unit is to be dedicated to either the above-described State MTS Well No. 1 or to the new well to be drilled at said unorthodox location. Also to be considered will be the cost of either re-entering, directionally drilling and completing the State MTS Well No. 1 or the cost of drilling and completing the alternate well and, in either case, the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the unit and a charge for risk involved in either re-entering the State MTS Well No. 1 or in drilling the alternate well. Said unit is located approximately 4.25 miles north of Humble City, New Mexico.

CASE 9525: (Continued from January 4, 1989, Examiner Hearing.)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-6469, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-6469, as amended, to rescind approval for those non-standard proration units approved therein located in Township 24 North, Range 1 West and Township 26 North, Range 1 West. The center of said area is located approximately 13 miles southwest of Regina, New Mexico.

CASE 9553: (Continued from January 4, 1989, Examiner Hearing.)

Application of Benson-Montin-Greer Drilling Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Basin-Dakota Pool and West Puerto Chiquito-Mancos Oil Pool within the wellbore of its Canada Ojitos Unit Well No. 22 located 1685 feet from the North line and 1860 feet from the West line (Unit F) of Section 20, Township 26 North, Range 1 West. Said well is located approximately 20 miles north of Regina, New Mexico.

CASE 9550: (Continued from January 18, 1989, Examiner Hearing.)

Application of Meridian Oil, Inc. for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2200 feet from the North line and 1360 feet from the East line (Unit G), Section 36, Township 30 North, Range 6 West, to test the Fruitland (sand) Formation, Lots 1 and 2 and the W/2 NE/4 of said Section 36 to be dedicated to said well forming a non-standard 115.04-acre gas spacing and proration unit for said zone. Said location is approximately 5.5 miles northwest by north of Gobernador, New Mexico.

CASE 9592: Application of Meridian Oil, Inc. for compulsory pooling and a non-standard gas proration unit, 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 Lots 3 and 4 and the E/2 SW/4 of Section 7, and Lots 1, 2, 3, and 4, and the E/2 W/2 of Section 18, Township 30 North, Range 9 West, forming a non-standard 304.39-acre gas spacing and proration unit to be dedicated to its Turner Com Well No. 250 to be drilled at a standard coal gas well location in the NW/4 SW/4 (Unit K) of said Section 18. 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 9.5 miles east of Aztec, New Mexico.

CASE 9593: Application of Meridian Oil, Inc. 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 Lots 6, 7, 8, and 9 and the S/2 S/2 (S/2 equivalent) of Section 34, Township 31 North, Range 10 West, forming a standard 315.50-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said Section 34. 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 7 miles east by north of Aztec, New Mexico.

CASE 9594: Application of Meridian Oil, Inc. 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 S/2 of Section 21, Township 31 North, Range 9 West, forming a standard 320-acre gas spacing and proration unit for said pool, to a well to be drilled at a standard coal gas well location in the SW/4 of said Section 21. 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 well location is approximately 4.25 miles west of Archuleta, New Mexico.

CASE 9595: Application of Meridian Oil, Inc. 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 E/2 of Section 32, Township 30 North, Range 8 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its Caperton Com Well No. 310 to be drilled at a standard coal gas well location in the NE/4 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 operator of the well and a charge for risk involved in drilling said well. Said well location is approximately 1.75 miles southeast by south of Archuleta, New Mexico.

CASE 9596: Application of Meridian Oil, Inc. 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 E/2 of Section 7, Township 30 North, Range 9 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its Pierce Well No. 250 to be drilled at a standard coal gas well location in the NE/4 of said Section 7. 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 10 miles east of Aztec, New Mexico.

CASE 9597: Application of Meridian Oil, Inc. for compulsory pooling and an unorthodox coal gas well location, 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 16, Township 30 North, Range 8 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its Delhi Com Well No. 300 to be drilled at an unorthodox coal gas well location 790 feet from the North line and 1165 feet from the West line (Unit K) of said Section 16. 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 well location is approximately 4 miles northwest by west of the Navajo Reservoir Dam.

CASE 9598: Application of Meridian Oil, Inc. 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 32, Township 31 North, Range 8 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its EPNG Com "A" Well No. 300 to be drilled at a standard coal gas well location in the SW/4 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 operator of the well and a charge for risk involved in drilling said well. Said well location is approximately 4 miles north by east of Archuleta, New Mexico.

CASE 9599: Application of Meridian Oil, Inc. for compulsory pooling and an unorthodox coal gas well location, 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 E/2 of Section 16, Township 30 North, Range 8 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its Stanolind Gas Com Well No. 300 to be drilled at an unorthodox coal gas well location 350 feet from the South line and 530 feet from the East line (Unit P) of said Section 16. 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 well location is approximately 2.25 miles east-northeast of Archuleta, New Mexico.

CASE 9572: (Continued from January 4, 1989, Examiner Hearing.)

Application of Dugan Production Corporation for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 164.87-acre non-standard gas spacing and proration unit for production from the Basin-Fruitland Coal (Gas) Pool comprising Lots 1 and 2 and the E/2 NW/4 of Section 31, Township 28 North, Range 10 West. Said unit is to be dedicated to its Knauff Well No. 1 which is presently completed in the Kutz-Fruitland Pool and is located at a previously authorized unorthodox coal gas well location (pursuant to Decretory Paragraph No. (4) of Division Order No. R-8768) 1015 feet from the North line and 1650 feet from the West line (Unit C) of said Section 31. This well is located approximately 6.5 miles south-southeast of Bloomfield, New Mexico.

CASE 9573: (Continued from January 4, 1989, Examiner Hearing.)

Application of Dugan Production Corporation for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit for production from the Basin-Fruitland Coal (Gas) Pool comprising the NE/4 of Section 18, Township 29 North, Range 11 West. Said unit is to be dedicated to its Hana Well No. 1 which is presently a dually completed gas well in the Fruitland formation and the Fulcher Kutz-Pictured Cliffs Pool and is located at a standard coal gas well location 790 feet from the North line and 1520 feet from the East line (Unit B) of said Section 18. This well is located approximately 2.5 miles west-northwest of Bloomfield, New Mexico.

Dockets Nos. 2-89 and 3-89 are tentatively set for January 18 and February 1, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 4, 1989

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

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

ALLOWABLE: (1) Consideration of the allowable production of gas for February, 1989, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for February, 1989, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9557: (Continued from December 21, 1988, Examiner Hearing.)

Application of Rio Pecos Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Lovington Unit Area comprising 600 acres, more or less, of State and Fee lands in the N/2, SE/4, N/2 SW/4, and SE/4 SW/4 of Section 12, Township 16 South, Range 36 East. Said unit is located approximately 2 miles East of Lovington, New Mexico.

CASE 9566: Application of Northwest Pipeline Corporation for an unorthodox coal gas well location and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location 535 feet from the South line and 685 feet from the East line (Unit P) of irregular Section 6, Township 31 North, Range 5 West, Basin-Fruitland Coal Gas Pool, all of said Section 6 to be dedicated to said well forming a 264.56-acre non-standard gas spacing and proration unit for said pool. Said unit is located approximately 5 miles south of Mile Corner No. 240 which is located on the Colorado/New Mexico Stateline.

CASE 9567: Application of Amerind 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 base of the Strawn formation underlying the S/2 NW/4 of Section 29, Township 16 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing (which includes the Undesignated West Knowles-Drinkard and the Northeast Lovington-Pennsylvanian Pool at this time). Said unit is to be dedicated to a well to be drilled at a standard oil well location in the SW/4 NW/4 (Unit E) of said Section 29. 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 5.3 miles southeast of Lovington, New Mexico.

CASE 9524: (Continued from December 21, 1988, Examiner Hearing.)

Application of Amerind Oil Company for directional drilling and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its State MTS Well No. 1 located at a standard surface location 1830 feet from the South line and 660 feet from the East line (Unit I) of Section 2, Township 17 South, Range 37 East, wherein the applicant proposes to directionally drill said well to penetrate the Strawn formation, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, at an unorthodox bottomhole location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2. The E/2 SE/4 of said Section 2 is to be dedicated to the subject well. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill the State MTS Well No. 1-A at an unorthodox surface location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2 to test the Strawn formation. This area is located approximately 4 miles North of Humble City, New Mexico.

CASE 9532: (Continued from December 21, 1988, Examiner Hearing.)

Application of Amerind 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 base of the Strawn formation underlying the E/2 SE/4 of Section 2, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing (which includes but is not necessarily limited to the Undesignated Shipp-Strawn Pool and the Undesignated Humble City-Atoka Pool). 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 operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4.25 miles north of Humble City, New Mexico.

- CASE 9568: Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 980 feet from the North line and 990 feet from the West line (Unit E) of Section 26, Township 19 South, Range 25 East, Undesignated Boyd-Morrow Gas Pool or Undesignated Cemetery-Morrow Gas Pool, the NE/4 of said Section 26 to be dedicated to said well forming a standard 320-acre proration unit for either pool. Said location is approximately 5 miles west of Lakewood, New Mexico.
- CASE 9569: Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1980 feet from the South line and 990 feet from the West line (Unit L) of Section 7, Township 19 South, Range 26 East, Undesignated West Four Mile Draw-Morrow Gas Pool, Lots 3 and 4, the E/2 SW/4, and the SE/4 of said Section 7 to be dedicated to said well forming a standard 319.51-acre proration unit for said pool. Said location is approximately 3.75 miles northwest of Lakewood, New Mexico.
- CASE 9570: Application of Nearburg Producing Company for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying the E/2 SE/4 of Section 1, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool or Undesignated South Humble City-Strawn Pool, to form a standard 80-acre oil spacing and proration unit for either pool, to be dedicated to a well to be drilled at an unorthodox oil well location 2310 feet from the South line and 600 feet from the East line (Unit I) of said Section 1. 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 4.5 miles north by east of Humble City, New Mexico.
- CASE 9553: (Continued from December 7, 1988, Examiner Hearing.) (This case will be continued to January 18, 1989.)
- Application of Benson-Montin-Greer Drilling Corp. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Basin-Dakota Pool and West Puerto Chiquito-Mancos Oil Pool within the wellbore of its Canada Ojitos Unit Well No. 22 located 1685 feet from the North line and 1860 feet from the West line (Unit F) of Section 20, Township 26 North, Range 1 West. Said well is located approximately 20 miles north of Regina, New Mexico.
- CASE 9525: (Continued from December 7, 1988, Examiner Hearing.) (This case will be continued to January 18, 1989.)
- Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-6469, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-6469, as amended, to rescind approval for those non-standard proration units approved therein located in Township 24 North, Range 1 West and Township 26 North, Range 1 West. The center of said area is located approximately 13 miles southwest of Regina, New Mexico.
- CASE 9571: Application of Meridian Oil Inc. for an unorthodox coal gas well location and simultaneous dedication, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location 2560 feet from the North line and 2610 feet from the West line (Unit F) of Section 15, Township 30 North, Range 7 West, Basin-Fruitland Coal (Gas) Pool, the W/2 of said Section 15 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool, to be simultaneously dedicated to said well and to the applicant's San Juan 30-6 Unit Wells Nos. 406 and 402. Said Well No. 402 is located at a standard coal gas well location 1455 feet from the South and West lines (Unit K) of said Section 15 and Well No. 406 is located at a previously authorized unorthodox coal gas well location (pursuant to Decretory Paragraph No. 4 of Division Order No. R-8768) 2105 feet from the North line and 2390 feet from the West line (Unit F) of said Section 15. Said location unit is approximately 2.75 miles east by north of the Navajo Reservoir Dam.
- CASE 9572: Application of Dugan Production Corporation for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 164.87-acre non-standard gas spacing and proration unit for production from the Basin-Fruitland Coal (Gas) Pool comprising Lots 1 and 2 and the E/2 NW/4 of Section 31, Township 28 North, Range 10 West. Said unit is to be dedicated to its Knauff Well No. 1 which is presently completed in the Kutz-Fruitland Pool and is located at a previously authorized unorthodox coal gas well location (pursuant to Decretory Paragraph No. (4) of Division Order No. R-8768) 1015 feet from the North line and 1650 feet from the West line (Unit C) of said Section 31. This well is located approximately 6.5 miles south-southeast of Bloomfield, New Mexico.
- CASE 9573: Application of Dugan Production Corporation for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit for production from the Basin-Fruitland Coal (Gas) Pool comprising the NE/4 of Section 18, Township 29 North, Range 11 West. Said unit is to be dedicated to its Hana Well No. 1 which is presently a dually completed gas well in the Fruitland formation and the Fulcher Kutz-Pictured Cliffs Pool and is located at a standard coal gas well location 790 feet from the North line and 1520 feet from the East line (Unit B) of said Section 18. This well is located approximately 2.5 miles west-northwest of Bloomfield, New Mexico.

Dockets Nos. 37-88 and 1-89 are tentatively set for December 21 and January 4, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 7, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

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

ALLOWABLE: (1) Consideration of the allowable production of gas for January, 1989, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for January, 1989, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9550: Application of Meridian Oil Inc. for a non-standard gas proration unit and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2200 feet from the North line and 1360 feet from the East line (Unit G), Section 36, Township 30 North, Range 6 West, to test the Fruitland (sand) Formation, Lots 1 and 2 and the W/2 NE/4 of said Section 36 to be dedicated to said well forming a non-standard 115.04-acre gas spacing and proration unit for said zone. Said location is approximately 5.5 miles northwest by north of Gobernador, New Mexico.

CASE 9551: Application of Texaco, U.S.A. for an exception to General Rule 303.A., surface commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to General Rule 303.A., authorizing surface commingling of Lovington-Grayburg-San Andres Pool and Lovington-Abo Pool production from the State "P" Lease located in Section 32, Township 16 South, Range 37 East, into a common tank battery. Said lease is located approximately 7 miles north-northwest of Humble City, New Mexico.

CASE 9524: (Continued from November 22, 1988, Examiner Hearing.) (Readvertised)

Application of Amerind Oil Company for directional drilling and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its State MTS Well No. 1 located at a standard surface location 1830 feet from the South line and 660 feet from the East line (Unit I) of Section 2, Township 17 South, Range 37 East, wherein the applicant proposes to directionally drill said well to penetrate the Strawn formation, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, at an unorthodox bottomhole location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2. The E/2 SE/4 of said Section 2 is to be dedicated to the subject well. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill the State MTS Well No. 1-A at an unorthodox surface location 2310 feet from the South line and 330 feet from the East line (Unit I) of said Section 2 to test the Strawn formation. This area is located approximately 4 miles North of Humble City, New Mexico.

CASE 9532: (Continued from November 22, 1988, Examiner Hearing.)

Application of Amerind 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 base of the Strawn formation underlying the E/2 SE/4 of Section 2, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing (which includes but is not necessarily limited to the Undesignated Shipp-Strawn Pool and the Undesignated Humble City-Atoka Pool). 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 operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4.25 miles north of Humble City, New Mexico.

CASE 9552: Application of Amoco Production Company for an exception to General Rule 309-A, lease commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to General Rule 309-A to allow surface commingling of Mancos production (which includes but is not necessarily limited to the Gavilan-Mancos Oil Pool and Undesignated Gavilan-Mancos Oil Pool) from two or more separate leases in Sections 1 through 3 and 10 through 15, Township 26 North, Range 2 West, into a common tank battery without first metering production from the individual lease. Said area is located approximately 14 miles north by east of Lindrith, New Mexico.

CASE 9553: Application of Benson-Montin-Greer Drilling Corp. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Basin-Dakota Pool and West Puerto Chiquito-Mancos Oil Pool within the wellbore of its Canada Ditos Unit Well No. 22 located 1685 feet from the North line and 1860 feet from the West line (Unit F) of Section 20, Township 26 North, Range 1 West. Said well is located approximately 20 miles north of Regina, New Mexico.

CASE 9535: (Continued from November 9, 1988, Examiner Hearing.)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-6469, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-6469, as amended, to rescind approval for those non-standard proration units approved therein located in Township 24 North, Range 1 West and Township 26 North, Range 1 West. The center of said area is located approximately 13 miles southwest of Regina, New Mexico.

CASE 9534: Application of Blackwood & Nichols Co., Ltd. for an unorthodox gas well location and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location 680 feet from the South line and 850 feet from the West line (Unit N) of Irregular Section 19, Township 30 North, Range 7 West, Basin-Fruitland Coal Pool, Lots 13 and 14 of Section 18 and Lots 6, 7, 12, and 13, and the E/2 W/2 of Section 19, both in Township 30 North, Range 7 West, to be dedicated to this well forming a 307.44-acre non-standard gas spacing and proration unit for said pool. Said location is approximately 1/4 mile south-southwest from the Navajo Reservoir Dam.

CASE 9413: (Continued from November 22, 1988, Examiner Hearing.)

Application of Yates Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Avalon-Delaware Pool located in portions of Township 20 South, Ranges 27 and 28 East, including a provision to increase the gas-oil ratio limitation to 5,000 cubic feet of gas per barrel of oil. Said area is located approximately 9 miles north of Carlsbad, New Mexico.

CASE 9528: (Continued from November 22, 1988, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 following described acreage in Section 17, Township 23 South, Range 31 East, and in the following described manner:

the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools (Undesignated Los Medanos-Morrow Gas and Undesignated West Sand Dunes-Atoka Gas Pools) developed on 320-acre spacing;

the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing; and,

the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools (Undesignated James Ranch-Bone Spring Pool) developed on statewide 40-acre spacing.

All of the above-described units are to be dedicated to a single well to be drilled at a standard location in the SW/4 NE/4 (Unit G) of said Section 17.

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 area is located approximately 1.5 miles south by east of the James Ranch.

CASE 9555: Application of Charles B. Gillespie, Jr. for directional drilling and an unorthodox subsurface location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to recomplete its Shipp Well No. 1 located 550 feet from the North line and 2,310 feet from the East line (Unit B) of Section 11, Township 17 South, Range 37 East, wherein the applicant proposes to plug back to a depth of approximately 8,500 feet and directionally drill said well to penetrate the top of the Undesignated Humble City-Strawn Pool, within a 75 foot radius of an unorthodox location 990 feet from the North line and 2,310 feet from the East line (Unit B) of said Section 11. The W/2 NE/4 of said Section 11 is to be dedicated to the well forming a standard 80-acre oil proration unit for said pool. This area is located approximately 4 miles north of Humble City, New Mexico.