

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 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 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 1960 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.