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Examiner Hearing - Wednesday - January 18, 1989

CASE 9163: (Reopened)

In the matter of Case No. 9163 being reopened pursuant to the provisions of Division Order No. R-8470, which promulgated temporary special rules and regulations for the West Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, including a provision for 80-acre spacing units. Operators in the subject pool may appear and show cause why the West Anderson Ranch-Wolfcamp Pool rules should not be rescinded at this time.

CASE 9586: Application of Enron Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cinta Roja-Morrow Gas Pool underlying all of Section 11, Township 24 South, Range 35 East, forming a standard 640-acre gas spacing and proration unit for said pool, 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 12 miles northwest of Jal, New Mexico.

CASE 9587: 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 Cherry Canyon production and designated as the South Antelope Ridge-Cherry Canyon Pool. The discovery well is the J. C. Williamson Curry State Well No. 2 located in Unit C of Section 22, Township 23 South, Range 34 East, NYPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM Section 22: NW/4

(b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Abo production and designated as the Stateline-Abo Pool. The discovery well is the Lanexco Inc. Crawford State Well No. 3 located in Unit D of Section 4, Township 24 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM Section 4: Lots 1, 2, 3, 4 and S/2 NW/4

(c) EXTEND the Cruz-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM Section 30: NW/4

(d) EXTEND the Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM Section 34: NE/4

(e) EXTEND the Ojo Chiso-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM Section 23: SE/4

(f) EXTEND the Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM Section 14: SW/4

(g) EXTEND the Shipp-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM Section 2: SW/4

(h) EXTEND the South Shoe Bar-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM Section 31: SW/4

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM Section 6: SW/4

(i) EXTEND the North Vacuum Atoka-horrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM Section 16: E/2

- CASE 9581: Application of Harvey E. Yates Company for an unorthodox oil well location, Lea County, New Mexico.

 Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1980 feet from the North line and 1370 feet from the West line (Unit F) of Section 17, Township 16 South, Range 37 East, Northeast Lovington Pennsylvanian Pool, the S/2 NW/4 of said Section 17 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 4.5 miles east southeast of Lovington, New Mexico.
- 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 9583: 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 992 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 9584: Application of Bran Oil Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in any and all formations developed on 160-acre spacing unit underlying the SE/4 of Section 32, Township 6 South, Range 26 East, (which includes but is not limited to the undesignated West Peccos Slope Abo Pool) for said unit to be dedicated to a well to be drilled at a standard location in 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 unit is located approximately 15 miles west northwest of Elkins, New Mexico.
- CASE 9585: Application of Stevens Operating Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in any and all formations developed on 160-acre spacing units underlying the NE/4 of Section 32, Township 6 South, Range 26 East, (including but not limited to the undesignated West Pecos Slope Abo Pool) for said unit to be dedicated to a well to be drilled at a standard location in 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 unit is located approximately 15 miles west northwest of Elkins, New Mexico.
- CASE 9568: (Continued from January 4, 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.