

CASE 9736: (Continued from August 23, 1989, Examiner Hearing.)

Application of Wallen Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute a waterflood project on its Wallen Tonto Lease underlying the SW/4, N/2 SE/4, and the SE/4 SE/4 of Section 30, Township 19 South, Range 33 East, by the injection of water into the South Tonto Yates-Seven Rivers Pool through the open hole interval from approximately 2,900 feet to 3,113 feet in the Wallen Tonto Well No. 7 located 1650 feet from the South line and 990 feet from the East line (Unit I) of said Section 30. Said well is located approximately 4 miles north of Laguna Gatuna.

CASE 9748: Application of Conoco Inc. for revision of Division Order No. R-5008 and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to revise the two Eumont Gas Pool proration units described in Division Order No. R-5008 to eliminate the 40-acre tract being the SW/4 NW/4 of Section 10, Township 20 South, Range 37 East, from said order and to establish a 640-acre non-standard gas proration unit comprising the SW/4 of Section 10 and the W/2 and W/2 E/2 of Section 15, both in said Township 20 South, Range 37 East, to be simultaneously dedicated to the Britt "B" Wells Nos. 3, 15, and 25 all located at previously approved unorthodox gas well locations in Unit L of Section 15, Unit M of Section 10, and Unit C of Section 15, respectively. Said unit is located approximately 3.5 miles south-southeast of Monument, New Mexico.

CASE 9749: Application of OGS Operating Company, Inc. for compulsory pooling and an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bluit-San Andres Associated Pool underlying either the N/2 of Section 15, Township 8 South, Range 37 East, forming a standard 320-acre gas spacing and proration unit for said pool if gas is encountered or the E/2 NE/4 of said Section 15, forming a standard 80-acre oil spacing and proration unit for said pool if oil is encountered. Either unit is to be dedicated to a well to be drilled 990 feet from the North and East lines (Unit A) of said Section 15, which is a standard gas well location for the 320-acre unit and a non-standard oil well location for the 80-acre unit. 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 approximately 2.5 miles east of Bluit, New Mexico.

CASE 9750: 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 1 and 2, SE/4 NE/4, and E/2 SE/4 of Section 8, and SW/4 of Section 9, both in Township 32 North, Range 6 West, forming a non-standard 317.51-acre gas spacing and proration unit for said pool, to be dedicated to its Allison Unit Well No. 135 to be drilled at a standard coal gas well location in the SW/4 of said Section 9. 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 bounded to the north by the State of Colorado at Mile Post No. 244.

CASE 9751: Application of Quinoco Petroleum Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 310.48-acre non-standard gas spacing and proration unit for production from the Basin-Fruitland Coal (Gas) Pool comprising Lots 5, 6, 7, and 8, the E/2 SW/4 and the SE/4 of Section 2, Township 31 North, Range 7 West. Said unit is to be dedicated to its Quinoco State "N" Well No. 4 to be drilled at a standard coal gas well location in the SW/4 of said Section 2. Said unit is located approximately 9.5 miles north-northeast of the Navajo Lake Dam.

CASE 9752: Application of Quinoco Petroleum Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas spacing and proration unit for production from the Basin-Fruitland Coal (Gas) Pool comprising the W/2 SW/4 of Section 2, the E/2 SE/4 of Section 3, and the NE/4 of Section 10, all in Township 31 North, Range 7 West. Said unit is to be dedicated to its Federal "G" Well No. 4 to be drilled at a standard coal gas well location in the NE/4 of said Section 10. Said unit is located approximately 5.5 miles south of Mile Post No. 245 on the New Mexico/Colorado stateline.

CASE 9753: Application of Quinoco Petroleum Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas spacing and proration unit for production from the Basin-Fruitland Coal (Gas) Pool comprising the W/2 SE/4 and the E/2 SW/4 of Section 3 and the NW/4 of Section 10, both in Township 31 North, Range 7 West. Said unit is to be dedicated to its Quinoco "N" Well No. 5 to be drilled at a standard coal gas well location in the SW/4 of said Section 3. Said unit is located approximately 8.75 miles north-northeast of the Navajo Lake Dam.

CASE 9754: Application of Merrion Oil and Gas Corporation for a horizontal directional drilling pilot project, special operating rules therefor, non-standard oil proration unit, unorthodox oil well location, and simultaneous dedication, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the formation of an 80-acre non-standard oil spacing and proration unit in the Papers Wash-Entrada Oil Pool comprising the SW/4 NW/4 and NW/4 SW/4 of Section 15, Township 19 North, Range 5 West, for the purpose of initiating a horizontal directional drilling pilot project. The applicant proposes to either plug-back, sidetrack and directionally drill horizontally through the Entrada formation in its Federal 15 Well No. 2 located 1980 feet from the North line and 990 feet from the West line (Unit E) of said Section 15 or, in the alternative, to drill a new well for the same purpose at a surface location 1400 feet from the North

line and 550 feet from the West line of said Section 15. The horizontal wellbore in either well is to be drilled in a southerly direction within a target window described as a rectangle 1250 feet wide and 2350 feet long, the north end being 1400 feet from the North line of said Section 15, with the western side formed by the Section line. Applicant further seeks special rules and procedures within the pilot project area including allowable provisions for a double sized oil proration unit for this pool where the proposed horizontal well will be simultaneously dedicated with the Navajo Allotted 15 Well No. 5 located 2310 feet from the South line and 990 feet from the West line (Unit L) of said Section 15 and possibly with said Federal 15 Well No. 2. The project area is located approximately 22 miles northwest of San Luis, New Mexico.

CASE 9755: Application of BTA Oil Producers for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its Maxus "B" 8026 JV-P Well No. 3 to be drilled 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 34, Township 22 South, Range 34 East, to test the Antelope Ridge-Atoka Gas Pool and the Antelope Ridge-Morrow Gas Pool, the N/2 of said Section 34 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for both pools. Said well location is approximately 4 miles northwest of the San Simon Sink.

CASE 9740: (Readvertised)

Application of Hondo Oil and Gas Company for a horizontal directional drilling pilot project, special operating rules therefor, simultaneous dedication, and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the formation of a 159.40-acre non-standard oil spacing and proration unit in the Scharb-Bone Spring Pool comprising Lots 1 and 2 and the S/2 NE/4 of Section 6, Township 19 South, Range 35 East, for the purpose of initiating a horizontal directional drilling pilot project. The applicant proposes to re-enter the previously plugged and abandoned Pennzoil United Inc. Atlantic State Well No. 1 located 660 feet from the North and East lines (Unit A) of said Section 6, clean said wellbore out the Bone Spring formation whereby the formation will be evaluated to determine the proper direction for a 1500 feet horizontal extension to said wellbore within the Bone Spring formation. Applicant further seeks special rules and provisions within the pilot project area including the designation of a prescribed area limiting the horizontal displacement of the wellbore such that the well cannot be any closer than 330 feet to the NE/4 quarter section lines of said Section 6. Also to be considered will be special allowable provisions for a double sized proration unit for this pool where the proposed horizontal well will be simultaneously dedicated with the applicant's State "AZ" Well No. 2 located 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 6. The project area is located approximately 8 miles west of Arkansas Junction, New Mexico.

CASE 9715: (Continued from August 9, 1989, Examiner Hearing.)

Application of Benson-Montin-Greer Drilling Corporation for a horizontal directional drilling pilot project, special operating rules therefor, and a non-standard oil proration unit, West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in Sections 15 and 16, Township 25 North, Range 1 West, West Puerto Chiquito-Mancos Oil Pool, Canada Ojitos Unit Area. The applicant proposes to utilize its C.O.U. (A16) Well No. 8 located 850 feet from the North line and 1030 feet from the East line (Unit A) of said Section 16 by kicking off from the vertical wellbore in an easterly direction and then drilling horizontally in the Mancos formation for approximately 2000 feet bottoming said wellbore in the adjoining Section 15, whereby it is proposed that both Sections 15 and 16 will be dedicated to the well forming a non-standard 1280-acre oil spacing and proration unit for said pool. Applicant further seeks special rules and provisions within the pilot project area including the designation of a prescribed area limiting the horizontal extent of the wellbore and special allowable considerations. This area is located approximately 15 miles north by east of Regina, New Mexico.

CASE 9756: Application of Bill Fenn, Inc. to amend Division Order No. R-8890, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8890, dated March 14, 1989, which authorized the applicant to dually complete its Roaring Springs Federal Com. Well No. 1 in the Indian Basin-Upper Pennsylvanian and Indian Basin-Morrow Gas Pools at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 14, Township 21 South, Range 23 East, by allowing the applicant to recomplete up the hole from the Morrow zone to the Strawn formation whereby said well would be dually completed in the Indian Basin-Upper Pennsylvanian Gas Pool and the Strawn formation. Said Order No. R-8890 is to be further amended to include authorization for an unorthodox gas well location in the Strawn formation, the N/2 of said Section 14 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for the Strawn interval. Said well is located approximately 1.25 miles north-northwest of the Marathon Oil Company Indian Basin Gas Plant.

CASE 8668: (Continued from August 9, 1989, Examiner Hearing.) (Reopened.)

In the matter of Case No. 8668 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8031, issued in said Case No. 8668 and dated September 27, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 SE/4 (Unit P) of Section 23, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 9748: (Continued from September 6, 1989. Examiner Hearing.)

Application of Conoco Inc. for revision of Division Order No. R-5009 and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to revise the two Eumont Gas Pool proration units described in Division Order No. R-5009 to eliminate the 40-acre tract being the SW/4 NW/4 of Section 10, Township 20 South, Range 37 East, from said order and to establish a 640-acre non-standard gas proration unit comprising the SW/4 of Section 10 and the W/2 and W/2 E/2 of Section 15, both in said Township 20 South, Range 37 East, to be simultaneously dedicated to the Britt "B" Wells Nos. 3, 15, and 25 all located at previously approved unorthodox gas well locations in Unit L of Section 15, Unit M of Section 10, and Unit C of Section 15, respectively. Said unit is located approximately 3.5 miles south-southeast of Monument, New Mexico.

CASE 9762: Application of TXO Production Corp. for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to directionally drill from a surface location 900 feet from the South line and 1815 feet from the West line (Unit N) of Section 11, Township 20 South, Range 29 East, to a standard bottomhole oil well location in the Strawn formation within 50 feet of a point 825 feet from the North line and 1815 feet from the West line (Unit C) of Section 14, Township 20 South, Range 29 East, the NE/4 NW/4 of said Section 14 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated South Parkway-Strawn Pool. This well location is approximately 4.25 miles north-northwest of the junction of U.S. Highway 62/180 and New Mexico State Highway 31.

CASE 9763: Application of TXO Production Corp. for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to directionally drill from a surface location 100 feet from the North line and 1500 feet from the East line (Unit B) of Section 15, Township 20 South, Range 29 East, to a standard bottomhole oil well location in the Strawn formation within 50 feet of a point 1815 feet from the North line and 825 feet from the East line (Unit H) of said Section 15, the SE/4 NE/4 of said Section 15 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated South Parkway-Strawn Pool. This well location is approximately 4 miles northwest of the junction of U.S. Highway 62/180 and New Mexico State Highway 31.

CASE 9764: Application of Meridian Oil, Inc. for a highly-deviated directional drilling pilot project, unorthodox gas well location and an exception to Rule 2(b) of the Special Rules Governing the Blanco-Mesaverde Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a highly-deviated directional drilling pilot project in the equivalent E/2 (Lots 1, 2, 7, 8, 9, 10, 15, and 16) of Section 14, Township 30 North, Range 8 West, forming a 284.20-acre gas spacing and proration unit in the Blanco-Mesaverde Pool, by commencing its Howell "E" Well No. 2R at an unorthodox surface location 435 feet from the North line and 1555 feet from the East line of said Section 14, then drilling to a true vertical depth of approximately 3421 feet then commencing a medium radius curve in a southerly direction to encounter the top of the Blanco-Mesaverde Pool at a true vertical depth of approximately 4142 feet at which point the wellbore will be drilled to the base of the Blanco-Mesaverde Pool at a true vertical depth of approximately 5415 feet to a terminus at a standard bottomhole location in the SE/4 of said Section 14 being no closer than 790 feet from the outer boundary of the southern half of the subject proration unit. Applicant further seeks an exception to Rule 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Pool as promulgated by Division Order No. R-8170, as amended, allowing a third well to be drilled and produced on an existing proration unit in which are dedicated the Howell "E" Wells Nos. 2 and 2A located in Units A and P, respectively, of said Section 14. Said unit is located approximately 20 miles east of Aztec, New Mexico.

CASE 9765: Application of Meridian Oil, Inc. for a highly-deviated directional drilling pilot project, unorthodox gas well location and an exception to Rule 2(b) of the Special Rules Governing the Blanco-Mesaverde Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a highly-deviated directional drilling pilot project in the equivalent W/2 (Lots 3 and 4, the S/2 NW/4, and the SW/4) of Section 4, Township 30 North, Range 9 West, forming a 322.70-acre gas spacing and proration unit in the Blanco-Mesaverde Pool, by commencing its Riddle Well No. 1R at an unorthodox surface location 250 feet from the North line and 830 feet from the West line of said Section 4, then drilling to a true vertical depth of approximately 3830 feet then commencing a medium radius curve in a southerly direction to encounter the top of the Blanco-Mesaverde Pool at about 4550 feet at which point the wellbore will be drilled to the base of the Blanco-Mesaverde Pool at a true vertical depth of approximately 5750 feet to a terminus at a standard bottomhole location in the SW/4 of said Section 4 being no closer than 790 feet from the outer boundary

of the southern half of the subject proration unit. Applicant further seeks an exception to Rule 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Pool as promulgated by Division Order No. R-8170, as amended, allowing a third well to be drilled and produced on an existing proration unit in which are dedicated the Riddle Well Nos. 1 and 1-A located in Units D and L, respectively, of said Section 4. Said unit is located approximately 11 miles east of Aztec, New Mexico.

CASE 9746: (Readvertised)

Application of Richmond Petroleum 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 9, Township 32 North, Range 6 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said Section 9. 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 1/2 mile south of Mile Post No. 243 which is located on the Colorado/New Mexico stateline.

CASE 9756: (Continued from September 6, 1989, Examiner Hearing.)

Application of Bill Penn, Inc. to amend Division Order No. R-8890, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8890, dated March 14, 1989, which authorized the applicant to dually complete its Roaring Springs Federal Com. Well No. 1 in the Indian Basin-Upper Pennsylvanian and Indian Basin-Morrow Gas Pools at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 14, Township 21 South, Range 23 East, by allowing the applicant to recomplete up the hole from the Morrow zone to the Strawn formation whereby said well would be dually completed in the Indian Basin-Upper Pennsylvanian Gas Pool and the Strawn formation. Said Order No. R-8890 is to be further amended to include authorization for an unorthodox gas well location in the Strawn formation, the N/2 of said Section 14 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for the Strawn interval. Said well is located approximately 1.25 miles north-northwest of the Marathon Oil Company Indian Basin Gas Plant.

CASE 9766: Application of Doyle Hartman for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its A.L. Christmas Well No. 1 to be drilled 990 feet from the North line and 450 feet from the West line (Unit D) of Section 18, Township 22 South, Range 37 East, Eumont Gas Pool, Lots 1, 2, 3, and 4 of said Section 18 to be dedicated to said well forming a non-standard 147.96-acre spacing and proration unit for said pool. This unit is located approximately 4.25 miles southwest of Eunice, New Mexico.

CASE 9767: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order extending certain pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

(a) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 32: S/2 NW/4 and SW/4

TOWNSHIP 25 NORTH, RANGE 13 WEST, NMPM
Section 04: N/2 N/2

(b) EXTEND the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 10 WEST, NMPM
Section 5: S/2 SE/4



Hobbs Division
Exploration and Production, North America

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August 30, 1989

RECEIVED

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OIL CONSERVATION DIV.
SANTA FE

Mr. Michael Stogner
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

M.S.

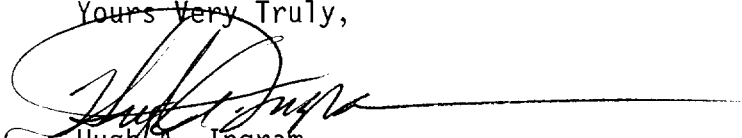
Dear Mr. Stogner:

Case No. 9748, Examiner Docket
September 6, 1989, Conoco Inc.

It is respectfully requested that the subject case be continued to the Examiner Docket, scheduled for September 20, 1989. Conoco Inc. is still in the process of making arrangements to sell a 40-acre tract that initiated the need for this Hearing.

The requested re-scheduling will be greatly appreciated.

Yours Very Truly,


Hugh A. Ingram
Conservation Coordinator

tm
cc:

Mr. Tom Kellahin
P.O. Box 2265
Santa Fe, NM 87504

ARCO Oil and Gas Company
P.O. Box 1610
Midland, TX 79702

Mr. David H. Arrington
P.O. Box 2071
Midland, TX 79702

Amoco Production Company
P.O. Box 39
Hobbs, New Mexico 88240

Amerada Hess Corporation
1200 Milam St., Entex Bldg.
Houston, Texas 77002

Texaco Producing, Inc.
P.O. Box 3109
Midland, TX 79702

Marathon Oil Company
P.O. Box 552
Midland, TX 79702

Chevron U.S.A., Inc.
P.O. Box 670
Hobbs, New Mexico 88240



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

GARREY CARRUTHERS
GOVERNOR

October 11, 1989

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Re: CASE NO. 9748
ORDER NO. R-5008-A

Applicant:
Conoco Inc.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD	<u> x </u>
Artesia OCD	<u> x </u>
Aztec OCD	

Other _____