

line (Unit C) of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of 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 8 miles west by north of Seven Rivers, New Mexico.

CASE 9758: Application of Bettis Brothers, Inc. for acreage rededication and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to rededicate the E/2 of Section 16, Township 23 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit in the Strawn formation, to the State 16 Well No. 1 located at an unorthodox gas well location for said unit 660 feet from the South line and 1980 feet from the East line (Unit D) of said Section 16. This well is located approximately 1 mile west of the New Mexico Motor Transportation Division Port of Entry station at Carlsbad.

CASE 9759: Application of Nearburg Producing Company for a non-standard gas proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Howe Well No. 1 to be drilled 660 feet from the South and West lines (Unit M) of Section 6, Township 19 South, Range 27 East, to test the Morrow formation, Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 of said Section 6 to be dedicated to said well to form a non-standard 314.45-acre gas spacing and proration unit in the Undesignated Four Mile Draw-Morrow or Undesignated East Lake-Morrow Gas Pools. This well is located approximately 4.5 miles northeast of Lakewood, New Mexico.

CASE 9760: 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 in the Malaga-Atoka Gas Pool underlying the S/2 of Section 1, Township 24 South, Range 28 East, 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 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 2 miles northeast of Malaga, New Mexico.

CASE 9761: Application of Mobil Producing Texas and New Mexico, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to deepen its State "L" Well No. 4 to the North Vacuum Atoka-Morrow Gas Pool at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 21, Township 17 South, Range 35 East, the W/2 of said Section 21 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool. This well is located approximately 2.5 miles northeast by east of Buckeye, New Mexico.

CASE 9726: (Continued from August 23, 1989, Examiner Hearing.)

Application of Haylan Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ellenberger formation underlying the SW/4 of Section 25, Township 19 South, Range 38 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing and the NE/4 SW/4 of said Section 25 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing (which presently includes but is not necessarily limited to the Undesignated House-Blinberry Pool, the Undesignated North House-Tubb Pool, the Undesignated Nadine Drinkard-Abo Pool and the Undesignated East Nadine-Drinkard Pool). Both aforementioned units are to be dedicated to a single well to be drilled at a standard location in the NE/4 SW/4 (Unit K) of said Section 25. 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 1.3 miles east-northeast of Nadine, New Mexico.

Dockets Nos. 29-89 and 30-89 are tentatively set for October 4 and October 18, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 20, 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 9712: (Continued from September 6, 1989, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Tom L. Ingram, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Chappell "5" Well No. 1 located 2310 feet from the North line and 990 feet from the West line (Unit E) of Section 5, Township 12 North, Range 30 East, as projected into the unsurveyed Baca Location No. 2 Grant, San Miguel County, New Mexico (which is located approximately 9.25 miles north-northwest of Tucumcari, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 9713: (Continued from September 6, 1989, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Tom L. Ingram, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Gihon "31" Well No. 1 located 2970 feet from the South line and 1814 feet from the East line (Unit G) of Section 31, Township 13 North, Range 30 East, as projected into the unsurveyed Baca Location No. 2 Grant/Pablo Montoya Land Grant, San Miguel County, New Mexico (which is located approximately 10.5 miles north-northwest of Tucumcari, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 9757: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Lagarto State Unit Area comprising 4,404.91 acres, more or less, of State lands underlying all of Sections 1, 12, 13, and 24, Township 11 South, Range 34 East and all or portions of Sections 6, 7, 18, and 19, Township 11 South, Range 35 East. This area is located approximately 11 miles northwest of Tatum, New Mexico.

CASE 9725: (Continued from September 6, 1989, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Red Rock "NB" Federal Well No. 2 to be drilled 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 28, Township 6 South, Range 25 East, Pecos Slope-Abo Gas Pool, the SW/4 of said Section 25 to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said pool. Said well location is approximately 13.25 miles north by west of the Pecos River Bridge on U.S. Highway 70.

CASE 9700: (Continued from September 6, 1989, Examiner Hearing.)

Application of Yates Petroleum Corporation 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 Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) of Section 2, Township 20 South, Range 24 East, forming a standard 319.04-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 is not necessarily limited to the Undesignated Dagger Draw-Strawn Gas Pool, Undesignated Dagger Draw-Atoka Gas Pool, Undesignated North Cemetery-Atoka Gas Pool, Undesignated Cemetery-Morrow Gas Pool, and the Undesignated Hoag Tank-Morrow Gas Pool) and Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of said Section 2 to form a standard 159.64-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing (which presently includes but is not necessarily limited to the Undesignated Dagger Draw-Wolfcamp Gas Pool and the Undesignated North Dagger Draw-Upper Pennsylvanian Pool). Both aforementioned units are to be dedicated to a well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West

CASE 9759: (Continued from September 20, 1989, Examiner Hearing)

Application of Newburg Producing Company for a non-standard gas proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Howe Well No. 1 to be drilled 660 feet from the South and West lines (Unit M) of Section 6, Township 19 South, Range 27 East, to test the Morrow formation, Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 of said Section 6 to be dedicated to said well to form a non-standard 314.45-acre gas spacing and proration unit in the Undesignated Four Mile Draw-Morrow or Undesignated East Lake-Morrow Gas Pools. This well is located approximately 4.5 miles northeast of Lakewood, New Mexico.

CASE 9774: Application of Hal J. Rasmussen Operating, Inc. to amend Division Orders Nos. R-6483 and R-8575 and for special gas metering provisions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Orders Nos. R-6483 and R-8575, which authorized the simultaneous dedication of the 640-acre standard Jalmat Gas Pool spacing unit comprising all of Section 11, Township 22 South, Range 36 East, to the State "A" A/C-2 Wells Nos. 14, 36, 42, 62, and 73, all located in said Section 11, by authorizing special metering provisions for Jalmat Gas production whereby the operator would meter the total gas production from said unit and allocate this production back to each of the aforementioned wells by means of periodic testing. Said unit is located approximately 5 miles west-southwest of Eunice, New Mexico.

CASE 9775: Application of Hal J. Rasmussen Operating, Inc. for non-standard gas proration units, unorthodox gas well locations, simultaneous dedication, and special gas metering provisions, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to redesignate acreage in the Jalmat Gas Pool in all or portions of Sections 5, 7, 8, and 9, Township 22 South, Range 36 East, and Sections 3, 4, 9, 10, 11, 13, 14, 15, 17, 20, 21, 22, 23, and 24, Township 23 South, Range 36 East, resulting in the formation of 16 non-standard gas proration units and one standard 640-acre gas proration unit. Applicant also seeks approval of all unorthodox locations for the existing wells resulting in said acreage redesignation and the simultaneous dedication of the Jalmat gas wells on each of the aforementioned units. FURTHERMORE, the applicant seeks special metering provisions for Jalmat gas production whereby the operator would meter the total gas production from each unit and allocate this production back to each well by means of periodic testing. This area is approximately 8 miles southwest of Eunice, New Mexico.

CASE 9776: Application of Hal J. Rasmussen Operating, Inc. for surface commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle liquid hydrocarbon production from the Arrowhead-Grayburg, Jalmat Gas, Jalmat Oil, Langlie-Mattix and South Eunice Pools from wells located on its State A Lease Accounts 1 and 2 (State of New Mexico Oil and Gas Lease Nos. A-983 and B-1484) and its State A Lease Account 3 (State of New Mexico Oil and Gas Lease No. B-1484) covering portions of Townships 22 and 23 South, Range 36 East. This area is approximately 8 miles southwest of Eunice, New Mexico.

CASE 9715: (Continued from September 6, 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 9767: (Readvertised)

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 4: N/2 N/2

CASE 9732: (Reopened and Readvertised)

Application of Meridian Oil Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 357.45-acre non-standard gas spacing and proration unit comprising Lots 1 and 2, NE/4 SW/4, S/2 SW/4, and SE/4 of Section 10 and Lots 3 and 4 of Section 11, both in Township 32 North, Range 7 West, Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to the Allison Unit Well No. 103 located at a standard coal gas well location 1795 feet from the South line and 2270 feet from the West line (Unit K) of said Section 10, which is approximately 1/2 mile southwest of Mile Corner No. 248 located on the Colorado/New Mexico State-line. IF THERE ARE NO OBJECTIONS IN THIS MATTER, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

CASE 9772: Application of Meridian Oil, Inc. for compulsory pooling, Rio Arriba 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 7 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit 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 2.5 miles east-northeast of the Navajo Reservoir Dam.

CASE 9750: (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 Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 9, Township 32 North, Range 6 West, forming a standard 278.2-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 900 feet from the South line and 1490 feet from the West line (Unit N) 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 between Mile Post Nos. 243 and 244.

CASE 9762: (Continued from September 20, 1989, Examiner Hearing)

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: (Continued from September 20, 1989, Examiner Hearing)

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 9773: 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 from the surface to the base of the Abo formation underlying the NW/4 of Section 33, Township 6 South, Range 26 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing, which presently includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool, said unit 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 15 miles west by north of Elkins, New Mexico.