

Dockets Nos. 7-90 and 8-90 are tentatively set for March 7, 1990 and March 21, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 21, 1990**  
**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,**  
**STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

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

- CASE 9869:** 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 the following described acreage in Section 14, Township 20 South, Range 24 East, and in the following manner: the N/2 to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, (which includes but is not limited to the Undesignated Cemetery-Morrow Gas Pool, Undesignated North Cemetery-Wolfcamp Gas Pool, Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool, and Middle Seven Rivers-Upper Pennsylvanian Gas Pool); the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing; and the NE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on statewide 40-acre oil spacing. All of the above-described units are to be dedicated to a single well to be drilled at a standard location in the NE/4 NW/4 (Unit C) of said Section 14. 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 9.25 miles west by south of Seven Rivers, New Mexico.
- CASE 9870:** Application of Siete Oil & Gas Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Parkway-Bone Spring Pool including a provision for a limiting gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil. Said pool is located in Section 34, Township 19 South, Range 29 East and Sections 2 and 3, Township 20 South, Range 29 East, which is located approximately 5.5 miles north by west of the junction of U.S. Highway 62/180 and old New Mexico State Highway 31.
- CASE 9871:** Application of Meridian Oil, Inc. for an unorthodox coal gas well location and a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 411.44-acre non-standard gas spacing and proration unit comprising Lots 5 through 13 of Section 9 and Lots 5 through 7 of Section 10, all in Township 32 North, Range 7 West, Basin-Fruitland Coal (Gas) Pool. Said unit is to be dedicated to its Allison Unit Well No. 123 to be drilled at an unorthodox coal gas well location 1015 feet from the South line and 1850 feet from the East line (Unit O) of said Section 9, which is approximately 1/2 mile south of Mile Post No. 249 located on the New Mexico/Colorado Stateline.
- CASE 9863:** (Continued from February 7, 1990, Examiner Hearing.)
- Application of Hixon Development Company 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 1 through 4 and the E/2 W/2 of Section 7, Township 25 North, Range 12 West, forming a standard 317.28-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 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 5 miles south-southwest of El Paso Natural Gas Company's Chaco Plant.
- CASE 9864:** (Continued from February 7, 1990, Examiner Hearing.)
- Application of Hixon Development Company 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 17, Township 25 North, Range 12 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its existing New Mexico Federal "B" Well No. 1 located at an unorthodox coal gas well location 660 feet from the North and East lines (Unit A) of said Section 17. Also to be considered will be the cost of re-entering, recompleting, equipping and operating 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 re-entering and recompleting said well. Said unit is located approximately 6 miles south by west of El Paso Natural Gas Company's Chaco Plant.
- CASE 9872:** Application of Oxy USA, Inc. for termination of gas prorationing in the Burton Flat-Morrow Gas Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order terminating gas prorationing in the Burton Flat-Morrow Gas Pool encompassing portions of Townships 20 and 21 South, Ranges 26, 27, and 28 East, which is located in an area approximately 6 miles north of Carlsbad, New Mexico.
- CASE 9873:** Application of Tahoe Energy, Inc. for an unorthodox gas well location, non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to redesignate acreage in the Jalmat Gas Pool to form a non-standard 160-acre gas spacing and proration unit comprising the S/2 NW/4 and N/2 SW/4 of Section 12, Township 23 South, Range 36 East. Said unit is to be simultaneously dedicated to the existing King Gas Com "MN" Well No. 1 located at a standard gas well location 2310 feet from the South line and 990 feet from the West line (Unit L) of said Section 12 and to the proposed Cochise Well No. 1 to be drilled at an unorthodox gas well location 1980 feet from the North line and 1600 feet from the West line (Unit F) of said Section 12. Said unit is located approximately 14 miles north by west of Jal, New Mexico.

CASE 9874: Application of Hal J. Rasmussen Operating, Inc. for two unorthodox gas well locations and simultaneous dedication, and to amend, in part, Division Order No. R-9073 and Administrative Order NSL-2728, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to recomplete the following two unorthodox gas well locations to be included within the previously approved 640-acre non-standard Jalmat gas spacing and proration unit (Division Order No. R-9073, dated December 14, 1989) comprising the N/2 and SW/4 of Section 13, and NE/4 of Section 14, Township 23 South, Range 36 East:

State "A" A/C-1 Well No. 66

660 feet from the North and  
West lines (Unit D); and,

State "A" A/C-1 Well No. 75

1980 feet from the North and  
West lines (Unit F), both located  
in said Section 13.

Applicant also seeks to amend Division Administrative Order NSL-2728, dated December 7, 1989 to reflect the proper dedicated acreage for the State "A" A/C-1 Well No. 71, located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of said Section 13, to the current aforementioned 640-acre non-standard gas proration unit. Also to be considered is an amendment to said Order No. R-9073 to authorize the simultaneous dedication of the 640-acre unit to the State "A" A/C-1 Well Nos. 20, 21, 22, 66, 71 and 75 located in Units C, H, M, D, M, and F, respectively, in said Section 13 and to the State "A" A/C-1 Well Nos. 13 and 77 located in Units H and B, respectively, of said Section 14. Said unit is located approximately 4 miles north-northwest of the Old El Paso Natural Gas Company Jail Plant No. 4.

CASE 9819: (Continued from February 7, 1990, Examiner Hearing.)

Application of Blackwood & Nichols Co., Ltd. for compulsory pooling and an unorthodox gas well location, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Fruitland formation underlying Lots 7 and 8, the S/2 NW/4, and the SW/4 of Section 4, Township 30 North, Range 7 West, in both San Juan and Rio Arriba Counties, forming a 319.38-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 the Basin-Fruitland Coal Gas Pool, to be dedicated to its Northeast Blanco Unit Well No. 424, to be drilled at an unorthodox coal gas well location 2075 feet from the North line and 1330 feet from the West line (Unit F) of said Section 4. 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 3.5 miles north-northeast of the Navajo Reservoir Dam.

CASE 9875: Application of Explorers 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 Bone Spring formation underlying the NW/4 SE/4 (Unit J) of Section 1, Township 18 South, Range 31 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which includes but is not limited to the Undesignated Maljamar Pool, Undesignated Shugart Pool, and Undesignated Tamano-Bone Spring 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 unit is located approximately 5.5 miles south by west of New Mexico State Highway No. 529's intersection with the Lea/Eddy County line.

~~CASE 9876~~ Application of Explorers 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 Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 1, Township 18 South, Range 31 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which includes but is not limited to the Undesignated Maljamar Pool, Undesignated Shugart Pool, Undesignated Tamano-Bone Spring Pool, and Undesignated North Young-Bone Spring 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 unit is located approximately 5.5 miles south by west of New Mexico State Highway No. 529's intersection with the Lea/Eddy County line.

CASE 9877: Application of Explorers 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 Bone Spring formation underlying the NE/4 SW/4 (Unit K) of Section 1, Township 18 South, Range 31 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which includes but is not limited to the Undesignated Maljamar Pool, Undesignated Shugart Pool, Undesignated Tamano-Bone Spring Pool, and Undesignated North Young-Bone Spring 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 unit is located approximately 5.5 miles south by west of New Mexico State Highway No. 529's intersection with the Lea/Eddy County line.

CASE 9878: Application of Chevron USA Inc. for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the W/2 NE/4, SE/4 NE/4, and SE/4 NW/4 of Section 8, Township 20 South, Range 37 East, Jalmat Gas Pool. Said unit is to be simultaneously dedicated to the Bertie Whitmire Well Nos. 1 and 2 located at standard gas well locations 1980 feet from the North and East lines (Unit G) and 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 8, respectively. Said area is located approximately 2.25 miles south of Monument, New Mexico.