

ockets Nos. 12-90 and 13-90 are tentatively set for May 2, 1990 and May 16, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 18, 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 9907:** Application of Enron Oil & Gas Company 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 Atoka formation underlying the following described acreage in Section 1, Township 24 South, Range 28 East, and in the following described manner: Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) to form a 319.36-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to either the Undesignated South Culebra Bluff-Atoka Gas Pool or Undesignated Malaga-Atoka Gas Pool); Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) to form a 159.52-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within said vertical extent; Lot 3 and the SE/4 NW/4 (E/2 NW/4 equivalent) to form a 79.80-acre oil spacing and proration unit for the Undesignated South Culebra Bluff-Bone Spring Pool which is developed on 80-acre spacing; and Lot 3 (NE/4 NW/4 equivalent) to form a 39.80-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing (which presently includes but is not necessarily limited to either the Undesignated Malaga-Delaware Pool or Undesignated North Malaga-Delaware Pool). 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 mile west of Harroun, New Mexico.

**CASE 9908:** Application of BHP Petroleum Company, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sunfish State Unit Agreement for an area comprising 2235.08 acres, more or less, of State and Fee lands comprising the E/2 of Section 32, Township 9 South, Range 27 East, and all of Sections 5, 7, and 8, Township 10 South, Range 27 East. Said area is located approximately 3 to 4 miles north of Mile Marker No. 173 on U.S. Highway 380.

**CASE 9909:** Application of Nearburg Producing Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Northwest Lovington-Pennsylvanian Pool underlying the E/2 NW/4 of Section 17, Township 16 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard location in the NE/4 NW/4 (Unit C) 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 1.25 miles south of Mile Marker No. 4.5 on old State Highway No. 83.

**CASE 9910:** 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 1650 feet from the South line and 2310 feet from the West line (Unit K) of Section 24, Township 19 South, Range 34 East, to test the Undesignated Lea-Bone Spring Pool, the E/2 SW/4 of said Section 24 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 1/4 mile northwest of Mile Marker No. 82 on U.S. Highway 62/180.

**CASE 9903:** (Readvertised)

Application of Yates Petroleum Corporation for directional drilling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed Gazelle "AHG" Federal Com. Well No. 1 at a surface location 2280 feet from the North line and 1180 feet from the West line (Unit E) of Section 15, Township 20 South, Range 29 East, wherein the applicant proposes to deviate said well to within 150 feet of the following targeted locations;

1. In the Strawn formation - 1815 feet from the South line and 2145 feet from the East line (Unit J) of said Section 15; wherein either the S/2 (320-acre gas unit) will be dedicated to the wellbore if the completed interval is determined to be within the East Burton Flat-Strawn Gas Pool or the NW/4 SE/4 (40-acre oil unit) would be dedicated if it is determined to be within the South Parkway-Strawn Pool; and,
2. In the Morrow formation - 1468 feet from the South line and 1573 feet from the East line (Unit J) of said Section 15 (which is an unorthodox gas well location), said well to be dedicated to the S/2 of said Section 15 forming a standard 320-acre gas spacing and proration unit for the Undesignated East Burton Flat-Morrow Gas Pool. Said well location is approximately 4 miles northwest of the junction of U.S. Highway 62/180 and New Mexico Highway 31.

**CASE 9911:** Application of Union Oil Company of California for a highly deviated directional drilling pilot project and unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a highly deviated directional drilling pilot project in the N/2 of Section 20, Township 27 North, Range 6 West, forming a standard 320-acre gas spacing unit in the Basin-Fruitland Coal Gas Pool by commencing its Rincon Unit Well No. 254 at a standard surface location 1581 feet from the North line and 1929 feet from the East line (Unit G) of said Section 20 and drilling to a true vertical depth of approximately 2250 feet and then commencing a medium radius curve in a westerly direction to encounter the top of the Basin-Fruitland Coal Gas Pool at a true vertical depth of approximately 2920 feet at which point the wellbore will be drilled to the base of the Basin-Fruitland Coal Gas Pool at a true vertical depth of approximately 3040 feet and then to a total depth at a true vertical depth of approximately 3100 feet with a terminus at an unorthodox bottomhole location in the NW/4 of Section 20; however, said wellbore will be no closer than 790 feet from the outer boundary of the spacing or proration unit. This unit is located approximately 10 miles south-southwest of Gobernador, New Mexico.

CASE 9894: (Continued from March 21, 1990, Examiner Hearing.)

Application of Richmond Petroleum, Inc. for compulsory pooling, unorthodox coal gas well location, and a non-standard gas spacing and proration unit, San Juan and Rio Arriba Counties, 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 S/2 N/2 of Irregular Section 11, Township 32 North, Range 6 West, forming a non-standard 232.80-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a non-standard coal gas well location 1130 feet from the North line and 760 feet from the West line (Unit E) of said Section 11. 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 for one-half mile of either side of Astronomical Monument No. 8 located on the Colorado/New Mexico stateline.

CASE 9895: (Continued from March 21, 1990, Examiner Hearing.)

Application of Richmond Petroleum, Inc. for compulsory pooling and an unorthodox coal gas well location, San Juan and Rio Arriba Counties, 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 Irregular Section 11, Township 32 North, Range 6 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 non-standard coal gas well location 1800 feet from the South line and 230 feet from the West line (Unit L) of said Section 11. 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 1/2 mile south of Astronomical Monument No. 8 located on the Colorado/New Mexico stateline.

CASE 9902: Application of Hanson Operating Company for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Diablo-San Andres Pool in the perforated interval from approximately 2034 feet to 2082 feet in its Hanlad "A" State Battery No. 1 Well No. 1 located 1650 feet from the South line and 330 feet from the East line (Unit I) of Section 28, Township 10 South, Range 27 East. Said well is located approximately 3/4 of a mile south-southwest of Mile Market No. 175 on U.S. Highway 380.

CASE 9882: (Continued from March 21, 1990, Examiner Hearing.)

Application of Controlled Recovery, Inc. for an oil treating plant permit, for surface waste disposal and an exception to Order No. R-3221, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority for construction and operation of the surface waste disposal facility and an oil treating plant for the purpose of treating and reclaiming sediment oil and for the collection, disposal, evaporation or storage of produced water, drilling fluids, drill cuttings, completion fluids and other oil field related waste in unlined surface pits, at a site in the S/2 N/2 and the N/2 S/2 of Section 27, Township 20 South, Range 32 East. This site is located on either side of U.S. Highway 62/180 at Mile Marker No. 66.

CASE 9903: Application of Yates Petroleum Corporation for directional drilling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed Gazelle "AHG" Federal Com. Well No. 1 at a surface location 1312 feet from the North line and 1844 feet from the West line (Unit C) of Section 15, Township 20 South, Range 29 East, wherein the applicant proposes to deviate said well to within 50 feet of the following targeted locations;

1. On the Strawn formation - 1980 feet from the South and East lines (Unit J) of said Section 15; wherein either the S/2 (320-acre unit) will be dedicated to the wellbore if the completed interval is determined to be within the East Burton Flat-Strawn Gas Pool or the NW/4 SE/4 (40-acre unit) would be dedicated if it is determined to be within the South Parkway-Strawn Pool; and,
2. In the Morrow formation - 1472 feet from the South line and 1540 feet from the East line (Unit J) of said Section 15 (which is an unorthodox gas well location), said well to be dedicated to the S/2 of said Section 15 forming a standard 320-acre gas spacing and proration unit for the Undesignated East Burton-Flat Morrow Gas Pool. Said well location is approximately 4 miles northwest of the junction of US Highway 62/180 and New Mexico State Highway 31.

CASE 9904: Application of Nassau Resources, Inc. for unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location 470 feet from the South line and 1190 feet from the East line (Unit P) of Irregular Section 12, Township 32 North, Range 4 West, to test the Basin-Fruitland Coal Gas Pool, all of said Section 12 to be dedicated to said well forming a 266.55-acre gas spacing and proration unit for said pool. Said drilling tract is located within the Carson National Forest and is bounded to the north by the State of Colorado at Mile Corner No. 229.

CASE 9905: Application of Nassau Resources, Inc. for unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Carracas Unit "25-8" Well No. 3 to be drilled 920 feet from the North line and 1850 feet from the West line (Unit C) of Section 25, Township 32 North, Range 4 West, to test the Basin-Fruitland Coal Gas Pool, the N/2 of said Section 25 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said drilling tract is located on the Carson National Forest approximately 3 miles south of Mile Corner No. 229 located on the Colorado/New Mexico stateline.

cs Nos. 11-90 and 12-90 are tentatively set for April 18, 1990 and May 2, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 4, 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 David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

- ALLOWABLE:**
- (1) Consideration of the allowable production of gas for May, 1990, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for May, 1990, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

**CASE 9899:** Application of BTA Oil Producers for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the North and East lines (Unit A) of Section 20, Township 22 South, Range 23 East, to test the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool, all of said Section 20 to be dedicated to said well forming a standard 640-acre gas spacing and proration unit for the pool. Said well location is approximately 6.25 miles south-southwest of the Marathon Oil Company Indian Basin Gas Plant.

**CASE 9900:** Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 10, Township 20 South, Range 24 East, to test the Undesignated Cemetery-Morrow Gas Pool, the E/2 of said Section 10 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. The proposed well site is located approximately 8 miles north of Marathon Oil Company's Indian Basin Gas Plant.

**CASE 9888:** (Continued from March 21, 1990, Examiner Hearing.)

Application of Conoco Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the North Dagger Draw-Upper Pennsylvanian Pool underlying the SE/4 of Section 36, Township 19 South, Range 24 East, forming a standard 160-acre oil spacing and proration unit for said pool, to be dedicated to its existing Dee State Well No. 1 located at a standard oil well location 1980 feet from the South and East lines (Unit J) of said Section 36 (said well is presently completed in the Cemetery-Morrow Gas Pool). 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 13 miles west by north of Seven Rivers, New Mexico.

**CASE 9893:** (Continued from March 21, 1990, Examiner Hearing.)

Application of Pacific Enterprises Oil Company (USA) for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Atoka and Morrow formations underlying the W/2 of Section 28, Township 18 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to either the Undesignated Red Lake-Pennsylvanian Gas Pool or the Undesignated Red Lake Atoka-Morrow Gas Pool. Said unit is to be dedicated to its Trigg "28" Federal Well No. 1 to be drilled at a standard gas well location 2030 feet from the North line and 1980 feet from the West line (Unit F) of said Section 28. 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 4 miles west by north of Old Illinois Oil Camp.

**CASE 9901:** Application of Pacific Enterprises Oil Company (USA) for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 21, Township 23 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Frontier Hills-Strawn Gas Pool, Undesignated North Black River-Atoka Gas Pool, and Undesignated South Carlsbad-Morrow Gas Pool, said unit to be dedicated to a well to be drilled at a standard gas well location in the NW/4 of said Section 21. 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 miles northeast by north of the Carlsbad Municipal Airport.

**CASE 9881:** (Continued from March 21, 1990, Examiner Hearing.)

Application of Richmond Petroleum, Inc. for unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Federal 31-4-32 Well No. 2 to be drilled 617 feet from the South line and 1939 feet from the West line (Unit M) of Section 32, Township 31 North, Range 4 West, Basin-Fruitland Coal Gas Pool, the W/2 of said Section 32 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 10 miles south of Mile Corner No. 233 located on the New Mexico/Colorado Stateline.