

Dockets 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.