

CASE 10109: Application of M. B. Resources Corp. for a horizontal directional drilling pilot project, special operating rules therefor, and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the formation of an 80-acre non-standard oil spacing and proration unit comprising the NE/4 SE/4 of Section 35 and the NW/4 SW/4 of Section 36, both in Township 16 South, Range 35 East, for the purpose of initiating a horizontal directional drilling pilot project in the Shoe Bar-Pennsylvanian Pool. The applicant proposes to utilize the Manzano Oil Corporation Ramco State "WN" Well No. 2 located 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 35 by kick-off from the vertical portion of said wellbore in an easterly direction with a medium radius curved hole and continue drilling horizontally for approximately 1000 feet bottoming said wellbore in the adjoining quarter-quarter section to the east in Unit L of said Section 36. 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 can be no closer than 330 feet to the outer boundary of the aforementioned 80-acre non-standard unit. Said project area is located approximately 5.25 miles south by west of the Lovington-Lea County Airport.

CASE 10110: Application of Giant Exploration and Production Company for a horizontal directional drilling pilot project, special operating rules therefor, non-standard oil proration unit and an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the formation of a 482.64-acre non-standard oil spacing and proration unit comprising Lots 1 through 4, S/2 N/2 and N/2 S/2 of Section 4, Township 24 North, Range 11 West, for the purpose of initiating a horizontal directional drilling pilot project in the Undesignated Bisti-Lower Gallup Oil Pool. The applicant proposes to drill from a tentative non-standard surface location 105 feet from the South line and 125 feet from the East line (Unit P) of Section 32, Township 25 North, Range 11 West, kick-off from vertical in a southeasterly direction until a ninety degree angle is achieved and continue drilling horizontally for approximately 4000 feet. Applicant further seeks special rules and provisions within the pilot project area including the designation of a prescribed area limiting the horizontal displacement of said well's producing interval such that it can be no closer than 330 feet to the outer boundary of its assigned spacing and proration unit and for special allowable provisions for the multi-sized oil proration unit ultimately established. Said project area is located approximately 7.5 miles south of the B.I.A. Huerfano Community School.

CASE 10088: (Continued from September 5, 1990, Examiner Hearing.)

Application of Circle Ridge Production Inc. for a waterflood expansion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Rock Queen Waterflood Project, authorized by Division Order No. R-1541, by converting its Rock Queen Unit, Section 26, Well No. 3 located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 26 and its Rock Queen Unit, Section 27, Well No. 9 located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 27, both in Township 13 South, Range 31 East, Caprock Queen Pool, Rock Queen Unit Area, from producing oil wells to water injection wells. Said Unit Area is located approximately 17 miles south-southwest of Caprock, New Mexico.

CASE 10008: (Continued from September 5, 1990, Examiner Hearing.)

Application of Doyle Hartman for a non-standard gas proration unit, compulsory pooling, and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying Lots 3 and 4, the SE/4 NW/4, and the E/2 SW/4 of Section 6, Township 24 South, Range 37 East, forming a 197.75-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the North line and 924 feet from the West line (Unit D) of said Section 6. 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 10 miles north-northeast of Jal, New Mexico.

CASE 10111: Application of Doyle Hartman for amendment of Division Order No. R-8170, as amended, to establish minimum gas allowables in the Jalmat Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend the "General Rules For The Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Jalmat Gas Pool" as promulgated by Division Order No. R-8170, as amended, to provide for a minimum natural gas allowable for the Jalmat Gas Pool for a three-year period of time equal to 600 m.c.f. of gas per day for an Acreage Factor of 1.00 or 2400 m.c.f. of gas per day for a standard Jalmat 640-acre gas spacing and proration unit.

CASE 10112: Application of Maralex Resources, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order, pursuant to Division General Rule 1207.1. (1f), pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, NE/4, and E/2 NW/4 (N/2 equivalent) of Section 18, Township 30 North, Range 11 West, forming a standard 326.01-acre gas spacing and proration unit for said pool. Said pool is to be dedicated to either the existing B.H. Keys and M.N. Keyes Trust Brimhall Well No. 1, to be recomplected up-hole from the Aztec-Pictured Cliffs Pool to said coal gas zone, at a standard coal gas well location 990 feet from the North and East lines (Unit A) of said Section 18 or, if said Brimhall Well No. 1 is not found to be mechanically sound, to a new well to be drilled at a standard coal gas well location in the NE/4 of said Section 18. The Division, upon review of this application, has determined that any such order issued should contain provisions for a 156 percent penalty to be assessed as a charge for the risk involved in the recomplecting of the existing Brimhall Well No. 1 or in the drilling of a new well, \$2,800.00 per month while recomplecting said existing well or while drilling a new well, and \$280.00 per month while producing to be fixed as reasonable overhead charges, and that the applicant be named the operator of the subject unit and subsequent producing well dedicated thereto. Said unit is located approximately 2 miles west-southwest of the junction of U.S. Highway 550 and New Mexico State Highway No. 44. IF THERE ARE NO OBJECTIONS AT THE TIME OF THE HEARING, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

CASE 10113: Application of Maralex Resources, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order, pursuant to Division General Rule 1207.1. (11), pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the S/2 of Section 17, Township 30 North, Range 11 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its Price Well No. 1 to be drilled at a standard coal gas well location in the SW/4 of said Section 17. The Division, upon review of this application, has determined any such order issued should contain provisions for a 156 percent penalty to be assessed as a charge for the risk involved in the drilling of said well, \$2,800.00 per month while drilling and \$280.00 per month while producing to be fixed as reasonable overhead charges, and that the applicant be named operator of said well and unit, which is located approximately 1 mile southwest of the junction of U.S. Highway 550 and New Mexico State Highway 44 in Aztec, New Mexico. IF THERE ARE NO OBJECTIONS AT THE TIME OF THE HEARING, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

CASE 10094: (Continued from September 19, 1990, Examiner Hearing.)

Application of Chevron U.S.A., Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Lea "YL" State Well No. 2 to be drilled 2230 feet from the South line and 2310 feet from the East line (Unit J) of Section 2, Township 17 South, Range 37 East, Shipp-Strawn Pool, the W/2 SE/4 of said Section 2 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 4.5 miles north of Humble City, New Mexico.