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December 6, 1990

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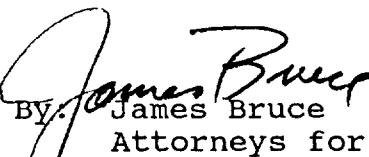
Re: Case Nos. 10,127, 10,128, and 10,129, the Applications of  
Samuel Gary Jr. & Associates, Inc. for Horizontal  
Directional Drilling

Dear Mr. Lemay:

Please dismiss the above cases. Thank you.

Very truly yours,

HINKLE, COX, EATON, COFFIELD &  
HENSLEY

By:  James Bruce  
Attorneys for Applicant

JB:le

Dockets No. 1-91 and 2-91 are tentatively set for January 10, 1991 and January 24, 1991. Applications for hearing must be filed at least 22 days in advance of hearing date:

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 19, 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 or Jim Morrow, Alternate Examiners:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for January, 1991, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for January, 1991, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 10146: (Continued from November 28, 1990, Examiner Hearing.)

Application of Giant Exploration & Production 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 and 2, the S/2 NE/4, and the SE/4 (E/2 equivalent) of Section 5, Township 25 North, Range 12 West, forming a standard 319.92-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 equivalent of said Section 5. 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 the drilling of said well. Said unit is located approximately 7.75 miles west by south of the B.I.A. Huerfano Community School.

CASE 10176: 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 of an unorthodox gas well location 660 feet from the North line and 1650 feet from the West line (Unit C) of Section 33, Township 22 South, Range 26 East, to test the Morrow formation, in the Undesignated South Carlsbad-Morrow Gas Pool, or Undesignated Happy Valley-Morrow Gas Pool, the N/2 of said Section 33 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool(s). The proposed well site is located approximately 6 miles southwest of Carlsbad, New Mexico.

CASE 10154: (Continued from November 14, 1990, Examiner Hearing.)

Application of Greenhill Petroleum Corporation for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Lovington San Andres Unit Waterflood Project, Lovington-San Juan Andres Pool, located in Townships 16 and 17 South, Ranges 36 and 37 East, by converting 18 producing wells into water injection wells. Said project area is located approximately 6 miles south-southeast of Lovington, New Mexico.

CASE 10177: Application of BTA Oil Producers for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its JV-P Pardue "C" Well No. 1 to be drilled 611 feet from the South line and 1504 feet from the West line (Unit N) of Section 11, Township 23 South, Range 28 East, to test the Delaware formation, East Loving-Delaware Pool. The SE/4 SW/4 of said Section 11 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is located approximately 3 miles northeast of Loving, New Mexico.

CASE 10178: Application of Nearburg Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 16, Township 18 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre gas spacing which presently includes, but is not necessarily limited to, the Undesignated Richard Knob Atoka-Morrow Gas Pool, Undesignated Penasco Draw-Atoka Gas Pool and Undesignated Eagle Creek-Strawn Gas Pool. Said unit is to be dedicated to the proposed Ewing State Well No. 1 located at a standard gas well location 1980 feet from the North and West lines (Unit F) of said Section 16. 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 10.5 miles northwest of Lakewood, New Mexico.

CASE 10179: Application of Stevens Operating Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation, Twin Lakes-Devonian Pool, in the perforated intervals from 7211 feet to 7405 feet (7211 feet to 7245 feet and 7392 feet to 7405 feet) in its O'Brien "C" Well No. 9 located 1870 feet from the North line and 80 feet from the West line (Unit E) of Section 1, Township 9 South, Range 28 East. Said well is located approximately 18 miles east of the Bitter Lake National Wildlife Refuge.

CASE 10156: (Continued from November 28, 1990, Examiner Hearing.)

Application of ARCO Oil and Gas Company 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 Ellenburger formation, underlying the S/2 of Section 32, Township 20 South, Range 37 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit 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 the drilling of said well. Said unit is located approximately 2 miles north-northwest of Oil Center, New Mexico.

CASE 10180: Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from a depth of approximately 3595 feet to the base of the Delaware formation underlying the NW/4 SW/4 of Section 12, 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 oil spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated East Shugart-Delaware Pool, said unit to be dedicated to the West Taylor "12" Well No. 1 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 7.5 miles southwest of Maljamar, New Mexico.

CASE 10181: Application of Tahoe Energy, Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard gas proration unit comprising the E/2 E/2 of Section 3, Township 25 South, Range 37 East, Jalmat Gas Pool, said unit to be dedicated to its White Cloud Well No. 1 to be drilled at a standard gas well location 660 feet from the North and East lines (Unit A) of said Section 3. Said unit is located approximately 4.5 miles northeast of Jal, New Mexico.

CASE 10149: (Continued from November 28, 1990, Examiner Hearing.)

Application of Meridian Oil Inc. on behalf of Southland Royalty Company for dual completion and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, of the above-styled cause, seeks authorization to dually complete its existing Cain Well No. 3-R, located 1610 feet from the South line and 810 feet from the East line (Unit I) of Section 30, Township 29 North, Range 9 West, in both the Blanco-Mesaverde Pool and Basin-Fruitland Coal Gas Pool, Lots 8 through 15 (S/2 equivalent) of said Section 30 to be dedicated to both zones forming a 268.42-acre gas spacing and proration unit. Further, said well is located at an unorthodox coal gas well location, pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, in which the applicant requests approval. Said unit is located approximately 2 miles south-southeast of Blanco, New Mexico.

CASE 10150: (Continued from November 28, 1990, Examiner Hearing.)

Application of Meridian Oil Inc. for dual completion and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization to dually complete its San Juan Well No. 20A, located 850 feet from the North line and 1100 feet from the West line (Unit E) of Section 35, Township 29 North, Range 9 West, in both the Blanco-Mesaverde Pool and Basin-Fruitland Coal Gas Pool, the W/2 of said Section 35 to be dedicated to both zones forming a standard 320-acre gas spacing and proration unit. Further, said well is located at an unorthodox coal gas well location, pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, in which the applicant requests approval. Said unit is located approximately 5 miles southeast of Blanco, New Mexico.

CASE 10182: Application of Meridian Oil, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox coal gas well location for its existing Angel Peak "B" Well No. 44 located 485 feet from the North line and 2310 feet from the West line (Unit C) of Section 24, Township 28 North, Range 11 West, Basin-Fruitland Coal Gas Pool, the N/2 of said Section 24 to be dedicated to the subject well forming a standard 320-acre gas spacing and proration unit for said pool. Said well is located approximately 4.5 miles south-southeast of Bloomfield, New Mexico.

CASE 10183: Application of Meridian Oil, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox coal gas well location for the existing Union Texas Petroleum Corporation Angel Peak "B" Well No. 31 located 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 25, Township 28 North, Range 11 West, the W/2 of said Section 25 to be dedicated to the subject well forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 5.5 miles south by east of Bloomfield, New Mexico.

CASE 10184: Application of Lewis B. Burleson, Inc. 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 Langlie-Mattix Pool underlying the SW/4 NW/4 of Section 22, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent which presently includes but is not necessarily limited to the Langlie-Mattix Pool, said unit 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 2 miles east of Jal, New Mexico.

- CASE 10185: Application of Avon Energy Corporation for an unorthodox oil well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Fren Well No. 37 to be drilled 100 feet from the South and East lines (Unit P) of Section 19, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Atlantic Grayburg Jackson Friess-Fren Waterflood Project. Said well is to be simultaneously dedicated to an existing 40-acre oil spacing and proration unit comprising the SE/4 SE/4 of said Section 19 to which is currently dedicated the Fren Oil Co. Well No. 10 located at a standard oil well location 990 feet from the South line and 330 feet from the East line (Unit P) of said Section 19. Said unit is located approximately 8.5 miles southwest of Maljamar, New Mexico.
- CASE 10186: Application of Avon Energy Corporation for an unorthodox oil well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Friess Well No. 5 to be drilled 1270 feet from the North line and 100 feet from the East line (Unit A) of Section 30, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Atlantic Grayburg Jackson Friess-Fren Waterflood Project. Said well is to be simultaneously dedicated to an existing 40-acre oil spacing and proration unit comprising the NE/4 NE/4 of said Section 30 to which is currently dedicated the Friess Well No. 2 located at a standard oil well location 660 feet from the North and East lines (Unit A) of said Section 30. Said unit is located approximately 8.5 miles southwest of Maljamar, New Mexico.
- CASE 10187: Application of Avon Energy Corporation for an unorthodox oil well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Turner "B" Well No. 99 to be drilled 2600 feet from the South line and 50 feet from the East line (Unit I) of Section 30, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Turner "B" Grayburg-Jackson Waterflood Project. Said well is to be simultaneously dedicated to an existing 40-acre oil spacing and proration unit comprising the NE/4 SE/4 of said Section 30 to which is currently dedicated the Turner "B" Well No. 53 located at a standard oil well location 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 30. Said unit is located approximately 8.75 miles southwest of Maljamar, New Mexico.
- CASE 10168: (Continued from November 28, 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 below the top of the Wolfcamp formation underlying the E/2 of Section 16, Township 17 South, Range 31 East, to form 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 Fren-Pennsylvanian 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 6.5 miles west by south of Maljamar, New Mexico.
- CASE 10169: (Continued from November 28, 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 below the top of the Wolfcamp formation underlying the S/2 of Section 21, Township 19 South, Range 28 East, to form 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 South Millman-Atoka Gas Pool, Undesignated Winchester-Atoka Gas Pool, Undesignated Millman-Morrow Gas Pool and Undesignated Winchester-Morrow 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 11 miles east of Lakewood, New Mexico.
- CASE 10188: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the West Sombbrero State Unit Agreement for an area comprising 1920 acres, more or less, of State lands in all of Sections 9, 16, and 21, Township 16 South, Range 33 East, which is located approximately 6 miles northeast of Maljamar, New Mexico.
- CASE 10158: (Continued from November 28, 1990, Examiner Hearing.)
- Application of Morgan Richardson Operating 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 the N/2 of Section 17, Township 28 North, Range 8 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 coal gas well location in the NE/4 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 8 miles east-southeast of Blanco, New Mexico.

CASE 10159: (Continued from November 28, 1990, Examiner Hearing.)

Application of Morgan Richardson Operating 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 the S/2 of Section 17, Township 28 North, Range 8 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 coal gas well location in the SW/4 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 8 miles southeast by south of Blanco, New Mexico.

CASE 10189: Application of McKay Oil Corporation for a horizontal directional drilling pilot project and special operating rules therefor, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the NE/4 of Section 5, Township 5 South, Range 22 East, being a standard 160-acre gas spacing and proration unit in the Undesignated North Pecos Slope-Abo Gas Pool. The applicant proposes to utilize its West Fork Federal Well No. 14 to be drilled at a surface location 560 feet from the North line and 1980 feet from the East line (Unit 8) of said Section 5 to a depth of approximately 3400 feet, kick off from vertical in an undetermined direction with a short radius curve building angle to 90 degrees and continue drilling horizontally for approximately 500 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 the wellbore such that the well can be no closer than 660 feet to the outer boundary of its assigned spacing and proration unit. Said project is located approximately 5 miles south-southeast of Mesa, New Mexico.

CASE 10190: Application of McKay Oil Corporation for a horizontal directional drilling pilot project and special operating rules therefor, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the SW/4 of Section 6, Township 5 South, Range 22 East, being a standard 160-acre gas spacing and proration unit in the Wildcat Abo Gas Pool. The applicant proposes to utilize its West Fork Federal Well No. 10 to be drilled at a surface location 1980 feet from the South and West lines (Unit K) of said Section 6 to a depth of approximately 3400 feet, kick off from vertical in an undetermined direction with a short radius curve building angle to 90 degrees and continue drilling horizontally for approximately 500 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 the wellbore such that the well can be no closer than 660 feet to the outer boundary of its assigned spacing and proration unit. Said project is located approximately 5 miles south of Mesa, New Mexico.

CASE 10191: Application of McKay Oil Corporation for a horizontal directional drilling pilot project and special operating rules therefor, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the NE/4 of Section 6, Township 5 South, Range 22 East, being a standard 160-acre gas spacing and proration unit in the Undesignated North Pecos Slope-Abo Gas Pool. The applicant proposes to utilize its West Fork Federal Well No. 12 to be drilled at a surface location 1650 feet from the North line and 990 feet from the East line (Unit H) of said Section 6 to a depth of approximately 3400 feet, kick off from vertical in an undetermined direction with a short radius curve building angle to 90 degrees and continue drilling horizontally for approximately 500 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 the wellbore such that the well can be no closer than 660 feet to the outer boundary of its assigned spacing and proration unit. Said project is located approximately 4.5 miles south of Mesa, New Mexico.

CASE 10175: (Continued from November 28, 1990, Examiner Hearing.)

Application of Maralex Resources, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Hammond W. N. Federal Well No. 11 to be drilled 205 feet from the North line and 130 feet from the East line (Unit A) of Section 34, Township 27 North, Range 8 West, Basin-Fruitland Coal Gas Pool, the E/2 of said Section 34 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 7 miles east of Huerfano Peak.

CASE 10127: (Continued from November 28, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. & Associates, Inc. for a non-standard oil proration unit, horizontal directional drilling project, and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in Lots 2 and 3, S/2 NW/4, and SW/4 (W/2 equivalent) of Section 6, Township 20 North, Range 2 West, forming a non-standard 297.79-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA Johnson "6" Well No. 14 to be located on the surface 500 feet from the South line and 2100 feet from the West line (Unit M) of said Section 6, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit. Said project area is located approximately 7.5 miles west by south of Cuba, New Mexico.

~~CASE 10128:~~ (Continued from November 28, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. & Associates, Inc. for a horizontal directional drilling project and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in the W/2 of Section 12, Township 20 North, Range 3 West, forming a standard 320-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "12" Well No. 16 to be located on the surface 1200 feet from the South line and 1800 feet from the West line (Unit N) of said Section 12, drill vertically and kick-off in a northwesterly direction build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit. Said project area is located approximately 9 miles west-southwest of Cuba, New Mexico.

CASE 10129: (Continued from November 28, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. & Associates, Inc. for a non-standard oil proration unit, horizontal directional drilling project, and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in Section 13, Township 20 North, Range 3 West, forming a non-standard 640-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "13" Well No. 14 to be located on the surface 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 13, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit and for special allowable provisions for the proposed double sized oil proration unit. Said project area is located approximately 9.5 miles west-southwest of Cuba, New Mexico.

CASE 10141: (Continued from November 28, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. & Associates, Inc. for a gas reinjection/pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas reinjection/pressure maintenance project in its San Isidro (Shallow) Unit Area located in Townships 20 and 21 North, Ranges 2 and 3 West, by the injection of gas into the Rio Puerco-Mancos Oil Pool through the open hole interval from approximately 3793 feet to 4188 feet in its San Isidro 11 Well No. 16 located 660 feet from the South line and 630 feet from the East line (Unit P) of Section 11, Township 20 North, Range 3 West. Said project area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 10192: Application of Beach Exploration Inc. for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its proposed Red Lake Unit Area (Division Case No. 10193) located in portions of Sections 24, 25, 35, and 36, Township 16 South, Range 28 East and portions of Sections 19 and 30, Township 16 South, Range 29 East, by the injection of water into the East Red Lake-Queen-Grayburg Pool, through 15 certain injection wells to be converted from producing oil wells to injection wells. Said project is located approximately 16 miles east-northeast of Artesia, New Mexico.

CASE 10193: Application of Beach Exploration Inc. for statutory unitization, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the Queen formation, East Red Lake-Queen Grayburg Pool, underlying 1182.17 acres, more or less, of State, Federal and Fee lands comprising portions of Sections 24, 25, 35, and 36, Township 16 South, Range 28 East and portions of Sections 19 and 30, Township 16 South, Range 29 East. Said Unit is to be designated the Red Lake Unit. Among the matters to be considered at the hearing will be necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and changes to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any non-consenting working interest owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said Unit Area is located approximately 16 miles east-northeast of Artesia, New Mexico.

CASE 9529: (Reopened) (Continued from November 28, 1990, Examiner Hearing.)

In the matter of Case 9529 being reopened pursuant to the provisions of Division Order No. R-8806, which order created the North King Camp-Devonian Pool in Chaves County, New Mexico, and promulgated temporary special rules and regulations therefor. Operators in said pool may appear and show cause why the North King Camp-Devonian Pool temporary rules should not be rescinded.



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

M E M O R A N D U M

4-90

**TO:** Attorneys, Operators and Parties Appearing Before OCD  
Examiners

**FROM:** William J. LeMay, Director *WJL*

**SUBJECT:** Examiner Hearing Days and Dates for 1991

**DATE:** November 15, 1990

The Division has received a request to change hearing days for examiner hearings from Wednesdays to Thursdays. Some of the reasons given include allowing more preparation time during the week (and less on the weekend) prior to the hearing, less productive time lost to travel for out of town witnesses, greater flexibility for attorneys and others to schedule other activities during hearing week if it is not broken up with a hearing in the middle and more flexibility for traveling witnesses to make it a weekend in Santa Fe. Starting in January, bi-weekly Examiner hearings will be on Thursdays. The following schedule is established for 1991:

<u>MONTH</u>	<u>DATE</u>
January	10 and 24
February	7 and 21
March	7 and 21
April	4 and 18
May	2, 16 and 30
June	13 and 27
July	11 and 25
August	8 and 22
September	5 and 19
October	3, 17 and 31 (costumes)
November	7 and 21
December	5 and 19



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

MEMORANDUM

POST OFFICE BOX 2088  
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(505) 827-5800

TO: ALL OPERATORS AND PRODUCED WATER HAULERS

FROM: WILLIAM J. LEMAY, Director *WJL*  
Oil Conservation Division

SUBJECT: PRODUCED WATER HAULING/DISPOSAL

DATE: November 8, 1990

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During the past two weeks the Oil Conservation Division has received and investigated three reports of illegal dumping of produced water adjacent to and on lease sites in the San Juan Basin Fruitland coal gas production area. This dumping has been reported by various parties including lease operators. Unauthorized disposal of produced water is a violation of Rule 710 and subjects the violator to civil fines and criminal penalties including imprisonment. Rule 710 also provides for cancellation of transporters Form C-133, "Authorization to Move Produced Water", after notice and hearing. Accidental spills are to be reported by transporters under Rule 116.

There is growing nationwide concern over the mismanagement of oil and gas wastes, including improper transport and disposal of produced water. Some groups have proposed making some or all of these wastes subject to strict nationwide federal standards similar to the hazardous waste program. The Interstate Oil Compact Commission (IOCC), among others, believes that management of these wastes is best left to the states. It has developed technical criteria that hopefully will demonstrate to EPA and the Congress that industry and the states working together can solve waste problems without federal intervention in the form of prescriptive legislation. The IOCC technical criteria include strict waste tracking requirements which incorporate manifesting and permit requirements for water and waste haulers.

The Oil Conservation Division has thus far chosen not to implement such a system for water haulers believing it would be unnecessarily burdensome since much disposal occurs into tanks at unmanned injection well sites. However, if companies pay drivers by the number of loads transported, lack of a positive tracking system can invite abuse.

To prevent illegal dumping, OCD is requesting that transporters take the following voluntary actions:

1. Monitor closely driver transportation records to detect improper or inconsistent entries;
2. Report to OCD discrepancies in recordkeeping together with what action the company has taken to investigate possible improper disposal and to resolve the problem to prevent reoccurrence, including driver disciplinary action if warranted; and
3. Perform additional driver education on the need to follow established procedures for safe transport and proper disposal of water and other wastes.

It is the responsibility of the lease operator, transporter and disposal operator to ensure that oil and gas wastes are properly managed. Lease operators and disposal facilities (both UIC and surface disposal) are required to provide OCD with monthly reports of produced water volumes. No such reporting or other tracking procedure is currently required of transporters. To avoid adoption of additional waste tracking requirements by OCD, transporters must monitor their operations more closely and voluntarily implement the actions presented above.

Memo No. 3-90

Dockets Nos. 35-90 and 1-91 are tentatively set for December 19, 1990 and January 10, 1991. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 28, 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 Jim Morrow, Examiner, or Michael E. Stogner or David R. Catanach, Alternate Examiners:

CASE 10146: (Continued from November 14, 1990, Examiner Hearing.)

Application of Giant Exploration & Production 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 and 2, the S/2 NE/4, and the SE/4 (E/2 equivalent) of Section 5, Township 25 North, Range 12 West, forming a standard 319.92-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 equivalent of said Section 5. 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 the drilling of said well. Said unit is located approximately 7.75 miles west by south of the B.I.A. Huerfano Community School.

CASE 10137: (Readvertised)

Application of C. W. Trainer for directional drilling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill from its existing Harris Federal Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5, Township 22 South, Range 34 East, in such a manner as to bottom the well in the Undesignated Grama Ridge-Morrow Gas Pool at a target point that is no closer to the South and East lines of said Section 5 than 660 feet, which is an unorthodox gas well location for said pool. Lots 1 and 2, S/2 NE/4, and SE/4 (E/2 equivalent) of said Section 5 is to be dedicated to said well forming a 321.58-acre gas spacing and proration unit for said pool. Said unit is located approximately 19 miles west by south of Eunice, New Mexico.

CASE 10145: (Continued from November 14, 1990, Examiner Hearing.)

Application of Yates Petroleum Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Avalon-Delaware Pool including a provision for a gas-oil ratio limitation of 7,500 cubic feet of gas per barrel of oil. Said pool is located in all or portions of Sections 25 and 36, Township 20 South, Range 27 East and Sections 19, 28, 29, 30, 31 and 32, Township 20 South, Range 28 East, which is located approximately 8 miles north of Carlsbad, New Mexico.

CASE 10130: (Continued from November 14, 1990, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Spanish Dagger "AID" Com Well No. 1 to be drilled 660 feet from the South line and 725 feet from the West line (Unit M) of Section 12, Township 20 South, Range 24 East, to test the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool, the S/2 of said Section 12 to be dedicated to said well forming a standard 320-acre oil spacing and proration unit for said pool. Said unit is located approximately 7 miles west by south of Seven Rivers, New Mexico.

CASE 10132: (Continued from November 14, 1990, Examiner Hearing.)

Application of Yates Petroleum Corporation for an exception to Division General Rule 303.A., Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 303.A. whereby perforated intervals in both the Wolfcamp formation and the South Dagger Draw-Upper Pennsylvanian Associated Pool would be allowed to remain in communication in the wellbore of its Hillview AHE Com Well No. 3 located 660 feet from the South line and 1980 feet from the West line (Unit M) of Section 23, Township 20 South, Range 24 East, being located approximately 8.5 miles west-southwest of Seven Rivers, New Mexico. FURTHERMORE, the applicant at the time of the hearing shall be prepared to show cause why the Wolfcamp interval in said well should not be properly plugged off and abandoned.

CASE 10166: Application of Nearburg Producing Company for directional drilling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill from its existing Western State 17-F Well No. 1 located at a previously approved unorthodox surface oil well location (NSL-2855 dated August 30, 1989) 2130 feet from the North and West lines (Unit F) of Section 17, Township 16 South, Range 37 East, in such a manner as to bottom the well in the Northeast Lovington-Pennsylvanian Pool at an unorthodox bottomhole location within 50 feet of a point 1980 feet from the North line and 2300 feet from the West line of said Section 17. Said unit is located approximately 5.5 miles east by south of Lovington, New Mexico.

CASE 10152: (Continued from November 14, 1990, Examiner Hearing.)

Application of Nearburg Producing Company for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated North Osudo-Morrow Gas Pool, underlying all of Section 30, Township 19 South, Range 36 East, forming a non-standard 631.76-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 the drilling of said well. Said unit is located approximately 5 miles south-southwest of Arkansas Junction, New Mexico.

CASE 10167: Application of BTA Oil Producers for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill from its existing Pardue "C" 8808 JV-P Well No. 1 located at a previously approved unorthodox surface location (Division Order No. R-9147, as amended) 176 feet from the South line and 1550 feet from the West line (Unit M) of Section 11, Township 23 South, Range 28 East, in such a manner as to bottom the well in the Undesignated East Loving-Delaware Pool at a standard bottomhole location within 50 feet of a point 660 feet from the South line and 1980 feet from the West line of said Section 11. Said unit is located approximately 1/4 mile southwest of the Harroun Dam.

CASE 10156: (Continued from November 14, 1990, Examiner Hearing.)

Application of ARCO Oil and Gas Company 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 Ellenburger formation, underlying the S/2 of Section 32, Township 20 South, Range 37 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, 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 the drilling of said well. Said unit is located approximately 2 miles north-northwest of Oil Center, New Mexico.

CASE 10168: 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 below the top of the Wolfcamp formation underlying the E/2 of Section 16, Township 17 South, Range 31 East, to form 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 Fren-Pennsylvanian 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 the drilling of said well. Said unit is located approximately 6.5 miles west by south of Maljamar, New Mexico.

CASE 10169: 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 below the top of the Wolfcamp formation underlying the S/2 of Section 21, Township 19 South, Range 28 East, to form 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 South Millman-Atoka Gas Pool, Undesignated Winchester-Atoka Gas Pool, Undesignated Millman-Morrow Gas Pool and Undesignated Winchester-Morrow 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 the drilling of said well. Said unit is located approximately 11 miles east of Lakewood, New Mexico.

CASE 10149: (Continued from November 14, 1990, Examiner Hearing.)

Application of Meridian Oil Inc. on behalf of Southland Royalty Company for dual completion and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization to dually complete its existing Cain Well No. 3-R, located 1610 feet from the South line and 810 feet from the East line (Unit I) of Section 30, Township 29 North, Range 9 West, in both the Blanco-Mesaverde Pool and Basin-Fruitland Coal Gas Pool, Lots 8 through 15 (S/2 equivalent) of said Section 30 to be dedicated to both zones forming a 268.42-acre gas spacing and proration unit. Further, said well is located at an unorthodox coal gas well location, pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, in which the applicant requests approval. Said unit is located approximately 2 miles south-southeast of Blanco, New Mexico.

CASE 10150: (Continued from November 14, 1990, Examiner Hearing.)

Application of Meridian Oil Inc. for dual completion and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization to dually complete its San Juan Well No. 20A, located 850 feet from the North line and 1100 feet from the West line (Unit E) of Section 35, Township 29 North, Range 9 West, in both the Blanco-Mesaverde Pool and Basin-Fruitland Coal Gas Pool, the W/2 of said Section 35 to be dedicated to both zones forming a standard 320-acre gas spacing and proration unit. Further, said well is located at an unorthodox coal gas well location, pursuant to the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool as promulgated by Division Order No. R-8768, in which the applicant requests approval. Said unit is located approximately 5 miles southeast of Blanco, New Mexico.

CASE 10170: 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 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 7, Township 27 North, Range 10 West, forming a standard 332.92-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 equivalent 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 the drilling of said well. Said unit is located approximately 8.5 miles south-southeast of Bloomfield, New Mexico.

CASE 10171: 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 the W/2 of Section 25, Township 27 North, Range 10 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 coal gas well location in the SW/4 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 the drilling of said well. Said unit is located approximately 1/2 mile east of the BLM Angel Peak Recreational Area Campground.

CASE 10172: 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 1 through 4 and the W/2 E/2 (E/2 equivalent) of Section 25, Township 27 North, Range 10 West, forming a standard 302.16-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 equivalent 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 the drilling of said well. Said unit is located approximately 1 mile east of the BLM Angel Peak Recreational Area Campground.

CASE 10173: 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 the E/2 of Section 28, Township 27 North, Range 10 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 coal gas well location in the NE/4 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 the drilling of said well. Said unit is located approximately 2 miles west of the BLM Angel Peak Recreational Area Campground.

CASE 10158: (Continued from November 14, 1990, Examiner Hearing.)

Application of Morgan Richardson Operating 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 the W/2 of Section 17, Township 28 North, Range 8 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 coal gas well location in the NE/4 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 the drilling of said well. Said unit is located approximately 8 miles east-southeast of Blanco, New Mexico.

CASE 10159: (Continued from November 14, 1990, Examiner Hearing.)

Application of Morgan Richardson Operating 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 the S/2 of Section 17, Township 28 North, Range 8 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 coal gas well location in the SW/4 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 the drilling of said well. Said unit is located approximately 8 miles southeast by south of Blanco, New Mexico.

CASE 10134: (Continued from November 14, 1990, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Red Hat State Unit Agreement for an area comprising 1981.32 acres, more or less, of State lands in all or portions of Sections 2, 3, and 11, Township 16 South, Range 33 East, which is located approximately 10 miles northeast of Maljamar, New Mexico.

CASE 10174: Application of Maralex Resources, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Oxnard W. N. Federal Well No. 9 to be drilled 622 feet from the South line and 1545 feet from the West line (Unit M) of Section 13, Township 27 North, Range 8 West, Basin-Fruitland Coal Gas Pool, the W/2 of said Section 13 to be dedicated forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 15 miles southeast of Blanco, New Mexico.

CASE 10175: Application of Maralex Resources, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Hammond W. N. Federal Well No. 11 to be drilled 205 feet from the North line and 130 feet from the East line (Unit A) of Section 34, Township 27 North, Range 8 West, Basin-Fruitland Coal Gas Pool, the E/2 of said Section 34 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 7 miles east of Huerfano Peak.

CASE 10127: (This case will be continued to December 19, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. & Associates, Inc. for a non-standard oil proration unit, horizontal directional drilling project, and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in Lots 2 and 3, S/2 NW/4, and SW/4 (W/2 equivalent) of Section 6, Township 20 North, Range 2 West, forming a non-standard 297.79-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA Johnson "6" Well No. 14 to be located on the surface 500 feet from the South line and 2100 feet from the West line (Unit N) of said Section 6, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit. Said project area is located approximately 7.5 miles west by south of Cuba, New Mexico.

CASE 10128: (This case will be continued to December 19, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. and Associates, Inc. for a horizontal directional drilling project and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in the W/2 of Section 12, Township 20 North, Range 3 West, forming a standard 320-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "12" Well No. 16 to be located on the surface 1200 feet from the South line and 1800 feet from the West line (Unit M) of said Section 12, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit. Said project area is located approximately 9 miles west-southwest of Cuba, New Mexico.

CASE 10129: (This case will be continued to December 19, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. and Associates, Inc. for a non-standard oil proration unit, horizontal directional drilling project, and special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a horizontal directional drilling pilot project in Section 13, Township 20 North, Range 3 West, forming a non-standard 640-acre oil spacing and proration unit in the Rio Puerco-Mancos Oil Pool. The applicant proposes to commence its SGA San Isidro "13" Well No. 14 to be located on the surface 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 13, drill vertically and kick-off in a northwesterly direction, build angle to approximately 90 degrees, and drill horizontally in the Mancos formation. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore such that it can be no closer than 660 feet to the outer boundary of said spacing unit and for special allowable provisions for the proposed double sized oil proration unit. Said project area is located approximately 9.5 miles west-southwest of Cuba, New Mexico.

CASE 10141: (This case will be continued to December 19, 1990, Examiner Hearing.)

Application of Samuel Gary Jr. and Associates, Inc. for a gas reinjection/pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas reinjection/pressure maintenance project in its San Isidro (Shallow) Unit Area located in Townships 20 and 21 North, Ranges 2 and 3 West, by the injection of gas into the Rio Puerco-Mancos Oil Pool through the open hole interval from approximately 3793 feet to 4188 feet in its San Isidro 11 Well No. 16 located 660 feet from the South line and 630 feet from the East line (Unit P) of Section 11, Township 20 South, Range 3 West. Said project area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 9529: (Reopened)

In the matter of Case 9529 being reopened pursuant to the provisions of Division Order No. R-8806, which order created the North King Camp-Devonian Pool in Chaves County, New Mexico, and promulgated temporary special rules and regulations therefor. Operators in said pool may appear and show cause why the North King Camp-Devonian Pool temporary rules should not be rescinded.

CASE 10008: (Continued from November 14, 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 O) 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.