

Dockets No. 3-91 and 4-91 are tentatively set for January 24, 1991 and February 7, 1991. Applications for hearing must be filed at least 22 days in advance of hearing date:

DOCKET: EXAMINER HEARING - WEDNESDAY - JANUARY 10, 1991

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 or Jim Morrow, Alternate Examiners:

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

CASE 10194: Application of Bannon Energy, Inc. for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1288 feet from the North line and 1246 feet from the East line (Unit A) of Section 31, Township 24 North, Range 7 West, Lybrook-Gallup Oil Pool, the NE/4 NE/4 of said Section 31 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is located approximately 7.5 miles east of Nageezi, New Mexico.

CASE 10195: Application of Koch Exploration 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, 3, 4, 8 and 9, the NW/4 NE/4, and the S/2 NE/4 (E/2 equivalent) of Section 27, Township 32 North, Range 9 West, to form a 312.49-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its Federal Blancett Com C Well No. 1 to be drilled at a standard coal gas well location in the NE/4 equivalent of said Section 27. 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 as well as terms of well operations. Said unit is located approximately 3 miles south of Mile Post No. 260 on the New Mexico/Colorado Stateline.

CASE 10196: Application of Merrion Oil & Gas Corporation for a horizontal directional drilling pilot project, special operating rules therefor, non-standard oil spacing and proration unit, and an unorthodox oil well location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the formation of an 80-acre non-standard oil spacing and proration unit in the Undesignated Ojo Encino-Entrada Oil Pool comprising the W/2 NE/4 of Section 28, Township 20 North, Range 5 West, for the purpose of initiating a horizontal directional drilling pilot project. The applicant proposes to drill at a non-standard surface location 750 feet from the North line and 2450 feet from the East line (Unit B) of said Section 28, penetrate the Entrada formation whereby the zone will be evaluated to determine the proper direction for a horizontal extension. 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 to a target window described as a rectangle 1320 feet wide and 1200 feet long, the northern side of which is located 550 feet from the North line of said Section 28, with the western side formed by the half section line of Section 28. Also to be considered will be special allowable provisions for a double sized proration unit for this pool. This area is located approximately 8.25 miles northwest by west of Torreon (Sandoval), New Mexico.

CASE 10197: Application of Strata Energy Resources Corporation 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 Abo formation or to a depth of 7000 feet, whichever is deeper, underlying the SW/4 NE/4 of Section 14, Township 19 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre oil spacing which presently includes, but is not necessarily limited to, the Undesignated Hobbs Grayburg-San Andres and Undesignated Nadine-Drinkard Abo Pools. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3/4 mile south of the Everglade Cemetery.

CASE 10198: Application of Richmond Petroleum Inc. for a horizontal directional drilling pilot project, special operating rules therefor, an unorthodox oil well location, and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in Irregular Section 28, Township 27 North, Range 2 West, being a non-standard 430.56-acre oil spacing and proration unit in the Undesignated Gavilan-Mancos Oil Pool. The applicant proposes to utilize its Jicarilla-Richmond JV Well No. 28 to be drilled at an unorthodox oil well location 500 feet from the South and East lines (Unit I) of said Section 28 to a depth of approximately 7100 feet, kick off in a northwesterly direction with a medium radius curve building angle to 90 degrees and penetrate the Gavilan-Mancos Oil Pool at an estimated depth of 7412 feet and thence drilling horizontally in a northwesterly direction a distance not in excess of 2,000 feet. Said project is located approximately 28 miles south by west of Dulce, New Mexico.

CASE 10149: (Continued from December 19, 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 December 19, 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: (Continued from December 19, 1990, Examiner Hearing.)

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: (Continued from December 19, 1990, Examiner Hearing.)

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 10179: (Continued from December 19, 1990, Examiner Hearing.)

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 10199: Application of Stevens Operating Corporation for approval of salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Undesignated Diablo-Fusselman Pool, in the perforated intervals from approximately 6904 feet to 6944 feet in its Hanland Well No. 1 located 1980 feet from the South line and 2310 feet from the West line (Unit N) of Section 16, Township 10 South, Range 27 East. Said well is located approximately 1.5 miles north-northeast of Mile Marker No. 173 on U.S. Highway 380.

CASE 10200: Application of OXY U.S.A., Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying the E/2 of Section 29, Township 21 South, Range 27 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 spacing which presently includes, but is not necessarily limited to, the Undesignated La Huerta-Strawn Gas Pool, Undesignated La Huerta-Atoka Gas Pool, and East Carlsbad-Morrow Gas Pool. Said unit is to be dedicated to its existing Simpson "A" Well No. 2Y located 1880 feet from the South line and 1980 feet from the East line (Unit J) of said Section 29. 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 northeast of Carlsbad, New Mexico.