

Dockets Nos. 27-87 and 28-87 are tentatively set for September 9 and September 23, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 26, 1987

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:

CASE 9187: (Readadvertised) (Continued from August 12, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Evans Production Company, American Motorists Insurance Company and all other interested parties to appear and show cause why the five wells listed below should not be plugged and abandoned in accordance with a Division-approved plugging program:

Inditos Well No. 1 located 2310 feet from the North line and 330 feet from the East line (Unit H) of Section 15, Township 16 North, Range 9 West;
Bullseye Well No. 2 located 540 feet from the South line and 1560 feet from the West line (Unit N) of Section 18, Township 16 North, Range 9 West;
Bullseye Well No. 9 located 330 feet from the South line and 1650 feet from the East line (Unit O) of Section 18, Township 16 North, Range 9 West;
Bullseye Well No. 8 located 330 feet from the North line and 990 feet from the West line (Unit D) of Section 19, Township 16 North, Range 9 West; and,
Bullseye A Well No. 2 located 990 feet from the South and East lines (Unit P) of Section 13, Township 16 North, Range 10 West, all in McKinley County.

These wells are located in an area approximately 14 miles north of Ambrosia Lake, New Mexico.

CASE 9198: Application of Bell, Foy, & Middlebrook, Ltd. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Culp Ranch Unit Area comprising 1919.16 acres, more or less, of State and Federal lands in Sections 2, 11, and 14 of Township 12 South, Range 30 East, said acreage being approximately 11.5 miles southwest from the junction of U.S. 380 and New Mexico 172.

CASE 9190: (Continued from August 12, 1987, Examiner Hearing)

Application of Robert L. Bayless for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Gallup and Pictured Cliffs formations in the wellbore of its Jicarilla 519 Well No. 1 located 790 feet from the South line and 1670 feet from the East line (Unit O) of Section 18, Township 30 North, Range 2 West, Jicarilla Apache Indian Reservation. Said Well is located approximately 2.5 miles west-northwest of Highway Junction US-64 and New Mexico 537.

CASE 9199: Application of Jamar, Inc. for an Oil Treating Plant Permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to construct and operate an oil treating plant for the reclamation and treatment of sediment oil at a site in the NE/4 NE/4 (Unit A) of Section 8, Township 20 South, Range 37 East, which is approximately 2 miles west of Milepost 41 on New Mexico 18.

CASE 8352: (Reopened) (Continued from July 15, 1987, Examiner Hearing)

In the matter of Case 8352 being reopened pursuant to the provisions of Division Order No. R-7737, which order established special rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area in Harding County, including a provision for 640-acre spacing units. Interested parties may appear and show cause why the West Bravo Dome Carbon Dioxide Gas Area should not be developed on less than 640-acre spacing and proration units.

CASE 9191: (Readadvertised)

Application of Amerind Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the S/2 SE/4 of Section 28, Township 16 South, Range 37 East, Undesignated Casey-Strawn, Undesignated West Casey-Strawn, and Undesignated Northeast Lovington-Pennsylvanian pools, forming a standard 80-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard 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 location is approximately 6.5 miles east-southeast of Lovington, New Mexico.

CASE 9171: (Continued from August 12, 1987 Examiner Hearing)

Application of MorOilCo, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates, Seven Rivers, and Queen formations in the perforated interval from approximately 3951 feet to 3995 feet and in the open hole interval from approximately 4064 feet to 5000 feet in the Atlantic Richfield Company's Mescalero Ridge Unit "MA" Well No. 31 located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 21, Township 19 South, Range 34 East, Undesignated Pearl-Queen Pool and Quail Ridge-Yates Gas Pool, which is approximately 2.5 miles north of N.M. milepost No. 77 on U.S. Highway 62/180.

CASE 9129: (Continued from July 15, 1987, Examiner Hearing)

Application of Virginia P. Uhen, Helen Orbesen, and Carol O. Holmberg to void and vacate Division Order Nos. R-7588 and R-7588-A, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order vacating Division Order Nos. R-7588 and R-7588-A, which orders promulgated Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Pool, including a provision for 320-acre spacing and designated well locations.

CASE 9200: Application of Mobil Producing Texas and New Mexico Inc. for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Upper Pennsylvanian production comprising the NW/4 of Section 6, Township 17 South, Range 36 East, and the promulgation of special rules therefor including a provision for 80-acre spacing and designated well locations. Said area is approximately 5.75 miles south of the Lovington-Lea County Airport.

CASE 9201: Application of Barbara Fasken 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 Devonian formation underlying the NW/4 NW/4 (Unit D) of Section 33, Township 11 South, Range 38 East, forming a statewide 40-acre oil spacing and proration 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 location is approximately 5 miles north of Milepost 240 on U.S. Highway 380.

CASE 9202: Application of Meridian Oil 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 Devonian formation underlying the NE/4 NE/4 (Unit A) of Section 35, Township 18 South, Range 35 East, forming a standard 40-acre oil spacing and proration 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 location is approximately one mile north from the junction of New Mexico Highways Nos. 8 and 529.

CASE 9203: Application of Sun Exploration and Production 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 Bough "D" member of the Cisco formation (at a depth of approximately 10,500 feet underlying the SW/4 of Section 22, Township 13 South, Range 34 East, to form a 160-acre spacing and proration unit for any and all formations and/or pools within said vertical limits which are developed on 160-acre spacing, to be dedicated to a well to be drilled at a standard 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 approximately 11 miles west of Milepost 88.5 on New Mexico highway No. 18.

CASE 9204: Application of Samedan Oil Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the SE/4 SW/4, NE/4 SE/4, and S/2 SE/4 of Section 17, Township 23 South, Range 37 East, Jalmat Gas Pool, to be dedicated to the applicant's Hughes Federal Well No. 3 located 660 feet from the South line and 2080 feet from the West line (Unit N) of said Section 17, which is located approximately 50 yards east of New Mexico State Road 18 at Milepost 21.8.

CASE 9205: Application of Horizontal Recoveries Specialist, Inc. for a horizontal directional drilling pilot project, special operating rules therefor and two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the SE/4 of Section 20 and NW/4 of Section 28, Township 32 North, Range 5 West, forming two standard 160-acre gas spacing and proration units in the Fruitland formation. The applicant proposes to drill a well vertically on each of the above-described gas spacing units at unorthodox surface locations and to then drill horizontally therefrom, bottoming each well in the Fruitland formation at a vertical depth of approximately 3050 feet and extending laterally approximately 1500 feet. Applicant further seeks special rules and provisions within the pilot project area including the designation of a prescribed area within each proration unit limiting the extent of its respective wellbore. Said area is approximately 2.75 miles south of Mile Corner No. 238.5 on the New Mexico/Colorado border.