

Dockets Nos. 5-88 and 6-88 are tentatively set for February 17 and March 2, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 3, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for March, 1988, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for March, 1988, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 9301: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Echols State Unit Area comprising 1440 acres, more or less, of State lands in Township 11 South, Range 38 East. Said area is located approximately 8 miles north of Milepost 241 on U.S. Highway 380.
- CASE 9295: (Continued from January 20, 1988, Examiner Hearing)
- Application of Hixon Development Company for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations for the Gavilan-Mancos Oil Pool as promulgated by Division Order No. R-7407, as amended, to form a non-standard 320-acre oil spacing and proration unit comprising the E/2 of Section 26, Township 26 North, Range 2 West, to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles east-northeast of the Ojito Post Office.
- CASE 9302: Application of Curtis J. Little Oil & Gas for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil spacing and proration unit comprising the SW/4 NE/4 and the SE/4 NW/4 of Section 1, Township 25 North, Range 3 West, West Lindrieth Gallup-Dakota Oil Pool, to be dedicated to its Hurt Federal Well No. 1 located 2900 feet from the North line and 1650 feet from the East line (Unit G) of said Section 1. Said unit is located approximately 1/4 mile west of the Ojito Post Office.
- CASE 9303: Application of Penroc Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Undesignated Mid Vacuum-Devonian Pool in the open hole interval from 11,837 feet to 12,000 feet in its State "AF" Well No. 2 located 330 feet from the South line and 2130 feet from the East line (Unit O) of Section 8, Township 18 South, Range 35 East. Said well is located approximately 4 miles south-southeast of Buckeye, New Mexico.
- CASE 9304: Application of Pennzoil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1980 feet from the South line and 990 feet from the East line (Unit I) of Section 22, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool, the N/2 SE/4 of said Section 22 to be dedicated to the well forming a standard 80-acre spacing and proration unit for said pool. In addition, applicant requests that the order entered in the subject case replace Division Order No. R-8555 which compulsorily pooled the E/2 SE/4 of said Section 22. Said well is located approximately 2.75 miles South of New Mexico Milepost 7 on New Mexico Highway No. 83.
- CASE 9289: (Continued and Readvertised)
- Application of Foran Oil Company for compulsory pooling and unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the following described acreage in Section 5, Township 16 South, Range 36 East, in the following described manner:
- Lots 11 through 14 and SW/4 to form a 320-acre, more or less, gas spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 320-acre spacing; and
- Lots 11 and 12 to form an 80-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing; and
- Lot 11 to form a 40-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.
- All of the above described units are to be dedicated to a well to be drilled at an unorthodox well location 3950 feet from the North line and 1550 feet from the West line (Unit K) 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 drilling said well. Said unit is approximately one-half mile West of Lovington, New Mexico.

CASE 9290: (Continued from January 6, 1988, Examiner Hearing)

Application of Foran Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the following described acreage in Section 8, Township 16 South, Range 37 East, in the following described manner:

W/2 SW/4 to form an 80-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing; and

NW/4 SW/4 to form a 40-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.

All of the above-described units are to be dedicated to a well to be drilled at a standard 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 approximately 3 miles East of Lovington, New Mexico.

CASE 9288: (Continued from January 20, 1988, Examiner Hearing)

Application of Primary Fuels, Inc. 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 N/2 of Section 19, Township 22 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within this vertical extent, 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 approximately 5 miles Southwest of Carlsbad, New Mexico.

CASE 9305: Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrieth Gallup-Dakota Oil Pool underlying the NW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-acre oil spacing and proration unit for said pool, 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 approximately 5 miles northwest of Lindrieth, New Mexico.

CASE 9306: Application of New Mexico and Arizona Land Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrieth Gallup-Dakota Oil Pool underlying the SW/4 of Section 25, Township 25 North, Range 3 West, forming a standard 160-acre oil spacing and proration unit for said pool, 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 approximately 5 miles northwest of Lindrieth, New Mexico.

CASE 9285: (Continued from January 20, 1988, Examiner Hearing)

Application of Bettis Brothers, Inc. 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 860 feet from the East line (Unit A) of Section 8, Township 25 South, Range 29 East, to test the Delaware, Wolfcamp, Strawn, Atoka and Morrow formations, the N/2 of said Section 8 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately 8 miles southeast of Malaga, New Mexico.

CASE 9293: (Continued from January 20, 1988, Examiner Hearing)

Application of Nearburg Producing Company for an unorthodox oil well location and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1150 feet from the South line and 1400 feet from the West line of Section 19, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool, Lot 4 and the SE/4 SW/4 of said Section 19 to be dedicated to said well forming a non-standard 90.35-acre oil spacing and proration unit for said pool which is developed on 80-acre spacing. Said location is approximately 4.25 miles southeast of Lovington, New Mexico.