

Dockets Nos. 23-88 and 24-88 are tentatively set for August 3 and 17, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 20, 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:

CASE 9420: (Continued from July 6, 1988, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division (OCD) on its own motion for pool creation and Special Pool Rules, San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico. The OCD on the recommendation of the Fruitland Coalbed Methane Committee, seeks the creation of a new pool for the production of gas from the coalbed seams within the Fruitland formation underlying the following described area:

Township 19 North, Ranges 1 West through 6 West;
Township 20 North, Ranges 1 West through 8 West;
Township 21 North, Ranges 1 West through 9 West;
Township 22 North, Ranges 1 West through 11 West;
Township 23 North, Ranges 1 West through 14 West;
Township 24 North, Ranges 1 East through 16 West;
Township 25 North, Ranges 1 East through 16 West;
Township 26 North, Ranges 1 East through 16 West;
Township 27 North, Ranges 1 West through 16 West;
Township 28 North, Ranges 1 West through 16 West;
Township 29 North, Ranges 1 West through 15 West;
Township 30 North, Ranges 1 West through 15 West;
Township 31 North, Ranges 1 West through 15 West; and
Township 32 North, Ranges 1 West through 13 West.

Also to be considered is the promulgation of special rules, regulations and operating procedures for said pool including, but not limited to, provisions for 320-acre spacing units, designated well locations, limited well density, horizontal wellbore and deviated drilling procedures, venting and flaring rules, and gas well testing requirements.

CASE 9431: Application of Yates Petroleum Corporation for directional drilling and unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Eland "AFC" Federal Com. Well No. 1 from a surface location 130 feet from the South line and 1650 feet from the West line (Unit N) of Section 12, Township 20 South, Range 29 East, wherein the applicant proposes to deviate said well to within 100 feet of the following targeted locations (both of which are unorthodox):

1. In the Undesignated East Burton Flat-Strawn Gas Pool - 660 feet from the North and West lines of said Section 13; and,
2. In the Undesignated Getty-Morrow Gas Pool - 991 feet from the North line and 329 feet from the West line of said Section 13.

Both zones are to be dedicated to the W/2 of said Section 13 forming a standard 320-acre gas spacing and proration unit. Said location is approximately 3.75 miles north-northwest of the junction of U.S. Highway 62/180 and State Highway 31.

CASE 9413: (Continued from July 6, 1988, Examiner Hearing)

Application of Yates Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Avalon-Delaware Pool located in portions of Township 20 South, Ranges 27 and 28 East, including a provision to increase the gas-oil ratio limitation to 5,000 cubic feet of gas per barrel of oil. Said area is located approximately 9 miles north of Carlsbad, New Mexico.

CASE 9353: (Continued from June 22, 1988, Examiner Hearing)

Application of Read & Stevens, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 19, Township 19 South, Range 29 East, Undesignated Turkey Track-Morrow Gas Pool or Undesignated West Parkway-Morrow Gas Pool, the E/2 of said Section 19 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for either pool. Said location is approximately 7.5 miles southeast by east of the old Illinois Camp.

CASE 9389: (Continued from July 6, 1988, Examiner Hearing)

Application of Robert N. Enfield for compulsory pooling and an unorthodox gas well location, Chaves 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 of Section 29, Township 7 South, Range 31 East, to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical limits or the W/2 of said Section 29 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 limits, both aforementioned units to be dedicated to its E. McCombs Well No. 1 drilled at an unorthodox gas well location (for a 320-acre dedication) 1650 feet from the North line and 990 feet from the West line (Unit E) 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 units are located approximately 11 miles south by west of Kenna, New Mexico.

CASE 9432: Application of Leonard Resource Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 510 feet from the North line and 660 feet from the East line (Unit A) of Section 24, Township 26 South, Range 24 East, to test the Pennsylvanian formation, the N/2 of said Section 24 to be dedicated to the well. Said location is approximately 2.25 miles north of Mile Corner 81 located on the Texas/New Mexico stateline.

CASE 9433: Application of Santa Fe Energy Operating Partners, L. P. 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 Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 14, Township 18 South, Range 32 East, forming a standard statewide 40-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 unit is located approximately 8 miles south by east of Maljamar, New Mexico.

CASE 9434: Application of Inexco Oil Company, a wholly owned subsidiary of The Louisiana Land and Exploration 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 Shipp-Strawn Pool underlying the W/2 SE/4 of Section 35, Township 16 South, Range 37 East, to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical limits or the SW/4 SE/4 of said Section 35 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical limits, both aforementioned units 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 well is located approximately 8 miles southwest of the old Hobbs Army Air Corps Auxiliary Airfield No. 1.

CASE 8822: (Reopened) (Continued from June 22, 1988, Examiner Hearing)

In the matter of Case No. 8822 being reopened pursuant to the provisions of Division Order No. R-8188-A, which promulgated temporary special rules and regulations for the Northeast Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, including a provision for 160-acre spacing units. Operators in the subject pool may appear and show cause why the Northeast Ojito Gallup-Dakota Oil Pool should not be developed on standard statewide 40-acre proration units.

CASE 9415: (Continued from July 6, 1988, Examiner Hearing)

Application of Manzano Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Undesignated Santo Nino-Bone Spring Pool underlying either the SW/4 SE/4 of Section 30, Township 18 South, Range 30 East, to form a standard statewide 40-acre oil spacing and proration unit within said vertical limits or the W/2 SE/4 of said Section 30 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing, both aforementioned units 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 units are located 7.5 miles south by west of Loco Hills, New Mexico.