

CASE 9685: Application of McClellan Oil Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the North and East lines (Unit A) of Section 35, Township 9 South, Range 25 East, South Pecos Slope-Abo Gas Pool, the NE/4 of said Section 35 to be dedicated to the well forming a standard 160-acre gas spacing and proration unit for said pool. Said location is approximately 6.75 miles north by west of the junction of U.S. Highway 380 and New Mexico 409.

CASE 9663: (Continued from May 10, 1989, Examiner Hearing.) (This case will be continued to June 21, 1989.)

Application of The Petroleum Corporation of Delaware for downhole commingling, the amendment of Division Order No. R-7269, and the amendment of Division Administrative Order NSP-1290, Eddy County, New Mexico. Applicant, in the above-styled cause, and as operator of the Superior Federal Well No. 6 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 6, Township 20 South, Range 29 East, seeks to downhole commingle production from the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also seeks to permit such commingled production to be produced through tubing and the production of gas from the East Burton Flat-Strawn Gas Pool through the casing-tubing annulus of said well and that Division Order No. R-7269 be amended accordingly. Applicant further seeks to amend Division Administrative Order No. NSP-1290, dated April 28, 1982; which authorized a 299.84-acre, more or less, gas spacing and proration unit for the East Burton Flat-Strawn Gas Pool comprising Lots 6 and 7, the E/2 SW/4, and the SE/4 of said Section 6 for said well; to include both the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also requests that any such order issued in this case be made effective retroactively to May 1987. Said well is located approximately 7.5 miles northwest of the junction of New Mexico Highway No. 31 North and U.S. Highway 62/180.

CASE 9686: Application of Enron Oil and Gas Company for compulsory pooling, Eddy 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 of Section 15, Township 24 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit in the Strawn formation, Undesignated Malaga-Atoka Gas Pool, Undesignated West Malaga-Atoka Gas Pool, and Undesignated Willow Lake-Atoka Gas Pool, said unit to be dedicated to its proposed Willow Lake "15" Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 15. 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 location is approximately seven-eighths of a mile south of Malaga, New Mexico.

CASE 9639: (Continued from May 10, 1989, Examiner Hearing.)

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 (equivalent) of Section 23, Township 31 North, Range 10 West, forming a standard 313.78-acre gas spacing and proration unit for said pool, to be dedicated to its Atlantic "D" Com Well No. 205 to be drilled at a standard coal gas well location in the NW/4 of said Section 23. 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 9 miles northeast of Aztec, New Mexico.

CASE 9641: (Continued from May 10, 1989, Examiner Hearing.)

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 (equivalent) of Section 23, Township 31 North, Range 10 West, forming a standard 315.75-acre gas spacing and proration unit for said pool, to be dedicated to its Atlantic "B" Com Well No. 205 to be drilled at a standard coal gas well location in the SW/4 of said Section 23. 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 9 miles northeast of Aztec, New Mexico.

CASE 9682: (Continued from May 24, 1989, Examiner Hearing.)

Application of Kerr-McGee Corporation for statutory unitization, Chaves 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 designated and Undesignated Chaveroo-San Andres Pool underlying 1280.37 acres, more or less, of State lands in all of Sections 1 and 2, Township 8 South, Range 33 East. Said unit is to be designated the K-M Chaveroo San Andres Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of the production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges 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

Dockets Nos. 19-89 and 20-89 are tentatively set for June 21 and July 12, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 7, 1989

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 Victor T. Lyon, Alternate Examiners:

- ALLOWABLE: (1) Consideration of the allowable production of gas for July, 1989, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for July, 1989, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8413: (Continued and Readvertised.)

Application of Union Texas Petroleum for exemption from the New Mexico Natural Gas Pricing Act, (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota, Tapacito-Pictured Cliffs, Blanco-Mesaverde, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, and Aztec-Pictured Cliffs Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office.

CASE 9123: (Continued and Readvertised.)

Application of Curtis J. Little for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan 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 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1-E, located 1850 feet from the South line and 800 feet from the East line (Unit I) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit. Said well is located approximately 10.7 miles south by east of Farmington, New Mexico.

CASE 9124: (Continued and Readvertised.)

Application of Rocanville Corporation for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the NE/4 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1, located 1100 feet from the North line and 990 feet from the East line (Unit A) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit. Said well is located approximately 10.3 miles south by east of Farmington, New Mexico.

CASE 9675: (Continued from the May 24, 1989, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, 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 Abo formation, underlying the NW/4 of Section 20, Township 6 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre spacing (which includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool) and the NE/4 NW/4 of said Section 20 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on statewide 40-acre spacing. Both aforementioned units are to be dedicated to a well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of 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 location is approximately 8.5 miles east of Milepost No. 137 of U.S. Highway 285.