

Dockets Nos. 22-89 and 23-89 are tentatively set for July 26 and August 9, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 12, 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 August, 1989, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for August, 1989, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9689: (Continued from June 21, 1989, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Four Lakes State Unit Area comprising 12,178.27 acres, more or less, of State lands in portions of Townships 11 and 12 South, Ranges 34 and 35 East. Said unit area is located approximately 10 miles northwest of Tatum, New Mexico.

CASE 9691: (Continued from June 21, 1989, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Splits State Unit Area comprising 2,549.36 acres, more or less, of State lands in Sections 13 and 24, Township 22 South, Range 34 East and Sections 19 and 30, Township 22 South, Range 35 East. Said unit area is located approximately 15.5 miles west-southwest of Eunice, New Mexico.

CASE 9692: Application of Bettis, Boyle & Stovall 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 line and 1980 feet from the West line (Unit C) of Section 15, Township 24 South, Range 31 East, to test the Devonian formation, the W/2 of said Section 15 to be dedicated to said well. Said well is approximately 2.7 miles west-southwest of the Lea and Eddy County line on New Mexico State Highway 128.

CASE 9693: Application of Nearburg Producing 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 Strawn formation underlying the N/2 SW/4 of Section 1, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing (which presently includes but is not necessarily limited to the Undesignated West Knowles-Drinkard Pool and the Shipp-Strawn Pool), said unit to be dedicated to a well to be drilled at a standard location 2130 feet from the South line and 660 feet from the West line (Unit L) of said Section 1. 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 4.5 miles north of Humble City, New Mexico.

CASE 9694: Application of Oryx Energy Company, formerly Sun Exploration and Production Company, for an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying a certain 640-acre tract of land in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Section 12, Township 25 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit in said pool. Said unit is to be dedicated to the Mallon Oil Company Johnson Federal No. "12" Well No. 5 located 1650 feet from the North line and 960 feet from the West line (Unit E) of said Section 12, which is presently completed in and producing from the Gavilan-Mancos Oil Pool and dedicated to a previously approved 320-acre non-standard oil spacing and proration unit (see Rule 2(a) of the Special Rules and Regulations for the Gavilan-Mancos Oil Pool as promulgated by Division Order No. R-7407, as amended) comprising the W/2 of said Section 12. 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. Applicant further requests that Mallon Oil Company remain as operator for the well and that the effective date of any order issued in the case by July 12, 1989, the date of the hearing. Said well is located approximately 16 miles north by west of Regina, New Mexico.

Case 9695: Application of Yates Energy Corporation for an unorthodox gas well location and a non-standard gas proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the South line and 1300 feet from the West line (Unit M) of Section 18, Township 9 South, Range 27 East, Four Ranch-PrePermian Gas Pool, Lots 1 through 4 and the E/2 W/2 of said Section 18 to be dedicated to the well forming a non-standard 325.04-acre gas spacing and proration unit. Said location is approximately 6 miles south-southwest of the Campbell Railroad Switch.

CASE 9696: Application of Robert N. Enfield for compulsory pooling and a non-standard gas proration unit, 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 Morrow formation underlying Lots 3 and 4, the E/2 SW/4, and the SE/4 of Section 19, Township 18 South, Range 33 East, forming a 324.69-acre non-standard gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit 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 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 9.5 miles west of the old Hobbs Army Air Force Auxiliary Airfield No. 4.

CASE 9663: (Continued from June 21, 1989, Examiner Hearing.)

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 9697: (This Case will be continued to the August 17, 1989, Commission Hearing.)

Application of Santa Fe Exploration Company for amendment of the special rules and regulations for the North King Camp-Devonian Pool, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Rule 6 of the Special Rules and Regulations for the North King Camp-Devonian Pool as promulgated by Division Order No. R-8806 by establishing a special depth bracket allowable of 350 barrels of oil per day for the pool (pursuant to General Rule 505[d]). Said pool presently comprises the SE/4 of Section 9, Township 14 South, Range 29 East and is located approximately 17 miles east of Hagerman, New Mexico.

CASE 9698: Application of Yates Petroleum 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 for its Dragonfly State Unit Well No. 2 located 660 feet from the South line and 1650 feet from the East line (Unit O) of Section 31, Township 9 South, Range 27 East, Undesignated Poor Ranch-PrePermian Gas Pool, Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of said Section 31 to be dedicated to said well forming a standard 319.16-acre gas spacing and proration unit for said pool. Said well is approximately 4.5 miles north of Mile Post 172.5 on U. S. Highway 380.

CASE 9699: 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 15, Township 6 South, Range 26 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing (which presently includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool), said unit to be dedicated to a well to be drilled at a previously approved unorthodox gas well location 1980 feet from the North line and 260 feet from the West line (Unit E) of said Section 15 (NSL-2535). 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 13 miles north of mile marker number 168 on U. S. Highway 70.

CASE 9700: Application of Yates Petroleum 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 Morrow formation underlying Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) of Section 2, Township 20 South, Range 24 East, forming a standard 319.04-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 Dagger Draw-Strawn Gas Pool, Undesignated Dagger Draw-Atoka Gas Pool, Undesignated North Cemetery-Atoka Gas Pool, Undesignated Cemetery-Morrow Gas Pool, and the Undesignated Hoag Tank-Morrow Gas Pool) and Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of said Section 2 to form a standard 159.64-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing (which presently includes but is not necessarily limited to the Undesignated Dagger Draw-Wolfcamp Gas Pool and the Undesignated North Dagger Draw-Upper Pennsylvanian Pool). 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 2. 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 miles west by north of Seven Rivers, New Mexico.