

CASE 9739: Application of Kelt Oil and Gas, Inc. for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the designated and Undesignated Cato-San Andres Pool, in its proposed Cato Unit underlying portions of Townships 8 and 9 South, Range 30 East. Said area is located approximately 11 miles south-southeast of Joaz, New Mexico.

CASE 9740: Application of Hondo Oil and Gas Company for a horizontal directional drilling pilot project, special operating rules therefor, and a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the formation of a 159.40-acre non-standard oil spacing and proration unit in the Scharb-Bone Spring Pool comprising Lots 1 and 2 and the S/2 NE/4 of Section 6, Township 19 South, Range 35 East, for the purpose of initiating a horizontal directional drilling pilot project. The applicant proposes to utilize its State "AZ" Well No. 2 located 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 6 by kick-off from the vertical portion of said wellbore in a northeasterly direction and then drill horizontally in the Bone Spring formation for approximately 1500 feet. Applicant further seeks special rules and provisions within the pilot project area including the designation of a prescribed area limiting the horizontal displacement of the wellbore such that said well cannot be any closer than 330 feet to the NE/4 quarter section lines of said Section 6. Also to be considered will be special allowable provisions for a double sized proration unit for this pool. The project area is located approximately 8 miles west of Arkansas Junction, New Mexico.

CASE 9572: (Continued from May 24, 1989, Examiner Hearing.)

Application of Dugan Production Corporation for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 164.87-acre non-standard gas spacing and proration unit for production from the Basin-Fruitland Coal (Gas) Pool comprising Lots 1 and 2 and the E/2 NW/4 of Section 31, Township 28 North, Range 10 West. Said unit is to be dedicated to its Knauff Well No. 1 which is presently completed in the Kutz-Fruitland Pool and is located at a previously authorized unorthodox coal gas well location (pursuant to Decretory Paragraph No. (4) of Division Order No R-8768) 1015 feet from the North line and 1650 feet from the West line (Unit C) of said Section 31. This well is located approximately 6.5 miles south-southeast of Bloomfield, New Mexico.

CASE 9573: (Continued from May 24, 1989, Examiner Hearing.)

Application of Dugan Production Corporation for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit for production from the Basin-Fruitland Coal (Gas) Pool comprising the NE/4 of Section 18 Township 29 North, Range 11 West. Said unit is to be dedicated to its Hana Well No. 1 which is presently a dually completed gas well in the Fruitland formation and the Fulcher Kutz-Pictured Cliffs Pool and is located at a standard coal gas well location 790 feet from the North line and 1520 feet from the East line (Unit B) of said Section 18. This well is located approximately 2.5 miles west-northwest of Bloomfield, New Mexico.

CASE 9703: (Continued from August 9, 1989, Examiner Hearing.)

Application of Meridian Oil, Inc. for exemption from the New Mexico Natural Gas Pricing Act (NMPA), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools as provided in Section 62-7-5 NMSA, 1978. A list of wells for which exemptions are being sought may be obtained by contacting the Santa Fe office of the Oil Conservation Division.

CASE 9741: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending certain pools in Lea County, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the North Gem-Wolfcamp Pool. The discovery well is the Oryx Energy Company Hudson Federal Well No. 1 located in Unit G of Section 17, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 17: NE/4

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the East Lane-Abo Pool. The discovery well is the Petroleum Production Management Inc. State 8 Well No. 1 located in Unit A of Section 8, Township 10 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 8: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Lane-San Andres Pool. The discovery well is the Petroleum Production Management Inc. Lane B Well No. 3 located in Unit C of Section 1, Township 10 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 1: NW/4

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the North Teague-Abo Pool. The discovery well is the American Exploration Company Elk State Well No. 1 located in Unit N of Section 16, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 16: SW/4

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the North Young-Wolfcamp Pool. The discovery well is the Meridian Oil Inc. Federal AF Well No. 2 located in Unit N of Section 8, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 8: SW/4

(f) CONTRACT the East Caprock-Wolfcamp Pool in Lea County, New Mexico, in order to correct the overlap with the North Bagley-Permian Pennsylvanian Pool and to delete acreage which is non-productive in the Wolfcamp formation, by the deletion of the following described acreage:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 1: E/2, NW/4, E/2 SW/4, and SW/4 SW/4

(g) EXTEND the North Bagley-Permian Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 1: E/2 SW/4 and SW/4 SW/4

(h) EXTEND the Bishop Canyon-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 11: N/2

(i) EXTEND the Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 9: SE/4
Section 16: N/2

(j) EXTEND the Hare-San Andres Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 15: SW/4

(k) EXTEND the Lovington-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 24: S/2

(l) EXTEND the West Lusk-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 16: SW/4

(m) EXTEND the Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 24: NW/4

(n) EXTEND the Reeves-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 21: SE/4

(o) EXTEND the Shipp-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 36: SE/4

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 31: SW/4

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 2: SE/4
Section 12: NW/4