

CASE 10066: (Continued from September 5, 1990, Examiner Hearing.)

Application of Matador Petroleum Corporation 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 Morrow formation or to a depth of 13,600 feet, whichever is deeper, underlying the following described acreage in Section 5, Township 20 South, Range 34 East, and in the following manner: Lots 3 and 4, the S/2 NW/4, and SW/4 (W/2 equivalent) to form a standard 320-acre, more or less, gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool); Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) to form a standard 160-acre, more or less, gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the SW/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Undesignated South Quail Ridge-Bone Spring Pool). Said units are to be dedicated to a single 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 underlies the area underneath Mile Marker No. 77 on U.S. Highway 62/180.

CASE 10092: Application of Chevron U.S.A., Inc. for acreage rededication, two non-standard gas proration units, simultaneous dedication, and two unorthodox gas well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to rededicate certain Eumont Gas Pool acreage in portions of Sections 4 and 9, Township 21 South, Range 36 East, thereby forming: a 160-acre non-standard gas spacing and proration unit for said pool comprising Lots 12 and 13 and the W/2 SW/4 of said Section 4, to be simultaneously dedicated to its existing Bell Ramsay NCT-A Well No. 5 located at a standard gas well location 660 feet from the South and West lines (Unit U) and to Well No. 8 located at an unorthodox gas well location 3258 feet from the North line and 660 feet from the West line (Unit L) both in said Section 4; and, a 240-acre non-standard gas spacing and proration unit comprising the NW/4 and E/2 SW/4 of said Section 9, to be dedicated to a well to be drilled at an unorthodox gas well location 990 feet from the South line and 1980 feet from the West line (Unit N) of said Section 9. Said area is located approximately 1 mile west of Oil Center, New Mexico.

~~XXXXXXXXXX~~: (Continued and Readvertised)

Application of Stevens & Tull, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval for the downhole commingling of Abo, Drinkard, Tubb and Blinebry production in the wellbore of all existing wells and all wells subsequently drilled on its Carter "23" Prospect acreage, which includes the N/2 SE/4 of Section 23, Township 20 South, Range 38 East. Said area is located approximately 4.75 miles south by east of Nadine, New Mexico.

CASE 10031: (Readvertised) (Continued from September 5, 1990, Examiner Hearing.)

Application of Nearburg Producing Company for a non-standard oil proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil spacing and proration unit comprising the W/2 NE/4 of Section 31, Township 19 South, Range 25 East, Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 9 miles west by south of Lakewood, New Mexico.

CASE 10093: Application of Nearburg Producing Company 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 in the Morrow formation underlying all of Section 31, Township 19 South, Range 36 East, forming a 636.79-acre non-standard gas spacing and proration unit for the North Osudo-Morrow Gas Pool, said 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 8.5 miles west by south of Monument, New Mexico.

CASE 10094: Application of Chevron U.S.A., Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Lea "YL" Tate Well No. 2 to be drilled 2230 feet from the South line and 2310 feet from the East line (Unit J) of Section 2, Township 17 South, Range 37 East, Shipp-Strawn Pool, the W/2 SE/4 of said Section 2 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 4.5 miles north of Humble City, New Mexico.

CASE 10095: Application of Texaco Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Moore-Devonian and Moore Permo-Pennsylvanian Pools through the perforated interval from approximately 10,440 feet to 10,700 feet in its New Mexico 80 State Well No. 2 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 24, Township 11 South, Range 32 East, which is located approximately 3.25 miles southeast by south of Caprock, New Mexico.

CASE 10096: Application of Texaco Producing Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its West Dollarhide Drinkard Unit Well No. 111 to be drilled 2630 feet from the South line and 130 feet from the East line (Unit J) of Irregular Section 33, Township 24 South, Range 38 East, Dollarhide Tubb-Drinkard Pool, Skelly West Dollarhide Drinkard Waterflood Project Area, said well to be dedicated to an existing 47.26-acre non-standard oil spacing and proration unit comprising Lot 3 and the NE/4 SW/4 of said Section 33, which is presently dedicated to the West Dollarhide Drinkard Unit Well No. 58 located 1980 feet from the South line and 630 feet from the East line (Unit K) of said Section 33. Said unit is located approximately 3 miles north of New Mexico State Highway No. 128 at that point where it meets the New Mexico/Texas Stateline.

PLEASE NOTE THAT THE SEPTEMBER 19, 1990, EXAMINER HEARING WILL BE HELD IN THE STATE HIGHWAY AUDITORIUM, 1120 CERRILLOS ROAD, SANTA FE, NEW MEXICO.

DOCKET NO. 26-90

Dockets Nos. 28-90 and 29-90 are tentatively set for October 3, 1990 and October 17, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 19, 1990

8:15 A.M. - STATE HIGHWAY AUDITORIUM, 1120 CERRILLOS ROAD,
SANTA FE, NEW MEXICO

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

CASE 10089: Application of Merrion Oil & Gas Corporation to amend the special rules and regulations for the Dufers Point Gallup-Dakota Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a revision of the special rules and regulations for the Dufers Point Gallup-Dakota Oil Pool, as promulgated by Division Order No. R-7435, to increase the limiting gas/oil ratio to 5000 cubic feet of gas per barrel of oil. Said pool is located in Townships 24, 25 and 26 North, Ranges 8 and 9 West.

CASE 10090: Application of Yates Energy 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 Bone Spring formation underlying the SW/4 SW/4 (Unit M) of Section 1, Township 18 South, Range 31 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing (which presently includes the Undesignated Tamano-San Andres and Undesignated Tamano-Bone Spring Pools). Said unit is 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 5.5 miles south by west of New Mexico State Highway No. 529's intersection with the Lea/Eddy County line.

CASE 10067: (Continued from September 5, 1990, Examiner Hearing.)

Application of Bird Creek Resources, Inc. 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 Delaware formation or to a depth of 6,250 feet, whichever is deeper, underlying the SW/4 SE/4 of Section 15, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for either the Undesignated East Loving-Delaware Pool or Undesignated South Loving-Delaware 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 located approximately 1.5 miles northeast of Loving, New Mexico.

CASE 10091: Application of Bird Creek Resources, Inc. 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 Delaware formation or to a depth of 6250 feet, whichever is deeper, underlying the NW/4 SE/4 (Unit J) of Section 15, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre oil spacing, which presently includes but is not necessarily limited to the Undesignated Loving-Cherry Canyon Pool and Undesignated East Loving-Delaware Pool. Said unit is 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 located approximately 2 miles east-northeast of Loving, New Mexico.

CASE 10055: (Readvertised)

Application of Meridian Oil, Inc. for a non-standard gas proration unit, an unorthodox coal gas well location, and directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox coal gas well location for its Payne Well No. 271, to be drilled 65 feet from the North line and 300 feet from the East line (Unit A) of Section 27, Township 32 North, Range 10 West, Cedar Hill-Fruitland Basal Coal Pool, Lots 1 through 8 (E/2 equivalent) of said Section 27 to be dedicated to said well to form a non-standard 305.03-acre gas spacing and proration unit for said pool. ALTERNATELY, the applicant seeks to directionally drill said well from the above-described surface location to a standard bottomhole coal gas well location within the NE/4 equivalent of said Section 27. Said unit is located approximately 1.5 miles northeast of Cedar Hill, New Mexico.

CASE 10056: (Continued from September 5, 1990, Examiner Hearing.)

Application of Meridian Oil, Inc. for three non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 6 of Division Order No. R-8768 to establish three non-standard gas spacing and proration units for Basin-Fruitland Coal (Gas) Pool production in Irregular Sections 6, 7, 18, 19, and 30, Township 31 North, Range 8 West. Said row of Sections are located approximately 8.5 miles northwest of the Navajo Reservoir Dam.

CASE 9960: Application of Bird Creek Resources, Inc. 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 Delaware formation underlying the NW/4 NE/4 of Section 15, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing within said vertical extent, which includes but is not necessarily limited to the Undesignated Loving-Cherry Canyon Pool, Undesignated East Loving-Delaware Pool and Undesignated South Loving-Delaware Pool. Said unit is 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 located approximately 2 miles east-northeast of Loving, New Mexico.

CASE 9961: Application of Mewbourne Oil Company 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 the E/2 of Section 18, Township 17 South, Range 27 East, forming a standard 320-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 Logan Draw-Cisco Canyon Gas Pool, Undesignated Riverside-Atoka Gas Pool, and Undesignated Logan Draw-Morrow Gas Pool. Said unit is to be dedicated to a single 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 located approximately 1 mile east of Riverside, New Mexico.

~~██████████~~ Application of Stevens & Tull, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval for the downhole commingling of Abo, Drinkard, Tubb and Blinebry production in the wellbore of all existing wells and all wells subsequently drilled on its Carter "23" Prospect acreage, which includes the N/2 SE/4 of Section 28, Township 20 South, Range 38 East. Said area is located approximately 4.75 miles south by east of Nadine, New Mexico (3)

CASE 9963: Application of Stevens & Tull, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval for the downhole commingling of Abo, Drinkard, Tubb and Blinebry production in the wellbore of all existing wells and all wells subsequently drilled on its DK Lease, which includes the E/2 of Section 25, Township 20 South, Range 38 East. Said area is located approximately 6 miles south by east of Nadine, New Mexico.

CASE 9931: (Readvertised)

Application of Arco Oil & Gas Company for pressure maintenance expansion and an unorthodox gas injection well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Empire-Abo Unit Pressure Maintenance Project, authorized by Division Order No. R-4549, as amended, by converting its Empire Abo Unit "J" Well No. 10, located 2310 feet from the North and West lines (Unit F) of Section 3 and Empire Abo Unit "J" Well No. 13, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 2, both in Township 18 South, Range 27 East, Empire-Abo Pool, Empire Abo Unit Area, from producing oil wells to gas injection wells. Applicant further seeks an exception to Rule 7A of the Special Rules and Regulations for the Empire-Abo Unit Pressure Maintenance Project, as promulgated by said Order No. R-4549, as amended, for the "J" Well No. 13 which is located at an unorthodox gas injection well location. Both wells are located in an area approximately 4.25 miles south-southeast of Riverside, New Mexico.

CASE 9930: (Continued from May 16, 1990, Examiner Hearing.)

Application of Union Oil Company of California to amend Division Order No. R-6375, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6375, as amended, which authorized downhole commingling of Basin-Dakota and Largo-Gallup production within the Rincon Unit Well No. 164 located 1840 feet from the South line and 1090 feet from the West line (Unit L) of Section 2, Township 26 North, Range 7 West, by reviewing and re-establishing, if necessary, the allocation of production that was set forth by the provisions of said order. The subject well is located approximately 2 miles north-northeast of the El Paso Natural Gas Company Largo Station.

CASE 9964: Application of Yates Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its existing Lusk "AHB" Federal Well No. 1 located 800 feet from the North line and 1650 feet from the East line (Unit B) of Section 35, Township 19 South, Range 32 East, for either the Undesignated Gem-Morrow Gas Pool or the Undesignated East Lusk-Morrow Gas Pool, the N/2 of said Section 35 to be dedicated to the well to form a standard 320-acre gas spacing and proration unit for either pool. Said unit is located approximately 4.5 miles north of the old site of the "Halfway Bar".

CASE 9953: (Continued from May 30, 1990, Examiner Hearing.)

Application of Oryx Energy 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 Morrow formation underlying the following described acreage in Section 24, Township 17 South, Range 35 East, and in the following described manner: the W/2 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 extent (which presently includes but is not necessarily limited to the Undesignated South Shoe Bar-Atoka Gas Pool); the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within said vertical extent; and the SE/4 NW/4 to form standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing (which presently includes but is not necessarily limited to the Undesignated Vacuum-Abo Reef Pool, the Vacuum Grayburg-San Andres Pool, and the Undesignated Vacuum-Glorieta Pool). Said units are to be dedicated to a single well to be drilled at a standard location in the SE/4 NW/4 (Unit F) of said Section 24. 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. This area is located approximately 5.5 miles east by north of Buckeye, New Mexico.

Dockets Nos. 18-90 and 19-90 are tentatively set for June 27, 1990 and July 11, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 13, 1990

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 July, 1990, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for July, 1990, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9937: (Continued from May 30, 1990, Examiner Hearing.)

Application of Exxon Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Laguna Salado South Unit Agreement for an area comprising 7040 acres, more or less, of State, Federal and Fee lands in all or portions of Sections 10, 15, 16, 21, 22, 23, 26, 27, 28, 33, 34 and 35, Township 23 South, Range 29 East. This area is located approximately 7 miles east of Loving, New Mexico.

CASE 9957: Application of C. W. Trainer 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 Undesignated Gladiola-Devonian Pool underlying the NW/4 SE/4 of Section 31, Township 11 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to the plugged and abandoned Ralph Lowe Wallace Well No. 2 to be re-entered and recompleted at a standard oil well location 1650 feet from the South and East lines (Unit J) on said Section 31. Also to be considered will be the cost of re-entering and recompleting 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 the re-entering and recompletion of said well. Said unit is located approximately 5.25 miles northeast by north of Gladiola, New Mexico.

CASE 9958: Application of BWA Oil & Gas for an unorthodox gas well location and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Pitchfork Ranch-Atoka Gas Pool and the Undesignated Pitchfork Ranch-Morrow Gas Pool underlying the E/2 of Section 34, Township 24 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for both pools, to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 34. 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 3 miles west-southwest of the Junction of Old State Highway No. 128 and County Road No. 2.

CASE 9924: (Continued from May 30, 1990, Examiner Hearing.)

Application of Strata Production Company to amend Division Order No. R-9097, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9097, which authorized a horizontal directional drilling pilot project in the SE/4 of Section 18, Township 26 South, Range 25 East, being a standard 160-acre gas spacing and proration unit in the Bone Spring formation by expanding the prescribed area limiting the horizontal displacement of the proposed wellbore such that any portion thereof can be no closer than 330 feet from the North line, nor closer than 660 feet from the East and West lines, nor closer than 460 feet from the South line of said 160-acre tract. Said location is approximately 2.5 miles east of Mile Post No. 6 on U.S. Highway 62/180.

CASE 9939: (Continued from May 30, 1990, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling and a non-standard gas proration unit, 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 4 through 7 and the NW/4 (W/2 equivalent) of Irregular Section 12, Township 22 South, Range 25 East, forming a non-standard 332.74-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 Catclaw Draw-Wolfcamp Gas Pool, Undesignated McKittrick Canyon-Upper Pennsylvanian Gas Pool, Undesignated Hackberry Hills-Canyon Gas Pool, Undesignated Happy Valley-Morrow Gas Pool and/or the Revelation-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 12. 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 7 miles west by south of Carlsbad, New Mexico.

CASE 9959: Application of Bird Creek Resources, Inc. 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 Delaware formation underlying the SE/4 SE/4 of Section 15, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing within said vertical extent, which includes but is not necessarily limited to the Undesignated Loving-Cherry Canyon Pool and Undesignated East Loving-Delaware Pool. Said unit is 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 located approximately 2 miles east-northeast of Loving, New Mexico.