

DOCKET: EXAMINER HEARING - THURSDAY - MAY 4, 1995

8:15 A.M. - 2040 South Pacheo
Santa Fe, New Mexico

Dockets Nos 15-95 and 16-95 are tentatively set for May 18, 1995 and June 1, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11229: (Continued from April 6, 1995, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Phoenix Resources Company, and all other interested parties to appear and show cause why the Powell Well No. 1 (API No. 30-005-60668), located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 23, Township 7 South, Range 28 East, Chaves County, New Mexico (which is approximately 1/2 mile west of Elkins, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have the well properly plugged and abandoned and to direct the owner/operator to pay the costs of such plugging.

CASE 11275: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Sage Oil Company and all other interested parties to appear and show cause why the Gulf State Well No. 1, located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 30, Township 10 South, Range 27 East, Chaves County, New Mexico (which is approximately 1/4 mile south of U. S. Highway No. 380 at mile marker No. 172), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have said well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

CASE 11191: (Continued from April 20, 1995, Examiner Hearing.)

Application of Great Western Drilling Company 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 Glenn Cleveland Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 7, Township 15 South, Range 35 East, in order to test and recomplete this well in the Morrow formation. The E/2 of said Section 7 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit. Said unit is located approximately 7 miles northwest of Lovington, New Mexico.

CASE 11224: Continued from April 20, 1995, Examiner Hearing.

Application of Southeastern Petroleum, Inc. 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 following described acreage in Section 28, Township 16 South, Range 37 East, and in the following manner: the W/2 SW/4

CASE 11276: Application of Plains Petroleum Operating Corporation for directional drilling and an unorthodox bottomhole oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its E. C. Hill "B" Federal Well No. 13 from a surface location 947 feet from the South line and 1361 feet from the East line (Unit O) of Section 34, Township 23 South, Range 37 East, wherein the applicant proposes to deviate said well to a more geologically advantageous position on a structure within the Teague-Simpson Pool at an unorthodox bottomhole oil well location that is within a 50 foot radius of a point 1120 feet from the South line and 1380 feet from the East line of said Section 34. The NW/4 NE/4 (Unit O) of said Section 34 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for said pool. The subject acreage is located approximately 3 miles east of the El Paso Natural Gas Company Plant No. 4. **IN THE ABSENCE OF OBJECTION THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 11277: Application of Maralo, Inc. for a non-standard oil proration unit and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its proposed Johnson "19" Well No. 1 at an unorthodox oil well location for the Undesignated Northeast Jenkins-Devonian Pool 2310 feet from the South line and 994 feet from the East line (Unit I) of Section 19, Township 9 South, Range 35 East. Further, the applicant seeks to dedicate said well to a non-standard 80-acre oil spacing and proration unit comprising the SE/4 NE/4 and NE/4 SE/4 of said Section 19, which is located approximately 3.25 miles west by north of Crossroads, New Mexico.

CASE 11242: (READVERTISED)

Application of Conoco, Inc. for directional drilling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to vertically drill its Savannah Well No. 1 from a surface location 660 feet from the North and East lines (Unit A) of Section 32, Township 19 South, Range 25 East, into the Undesignated North Dagger Draw-Upper Pennsylvanian Pool, in which the NE/4 of said Section 32 is to be dedicated to form a standard 160-acre oil spacing and proration unit for said oil pool. The applicant then proposes to kick-off in a southwesterly direction and continue drilling into the Undesignated Cemetery-Morrow Gas Pool within a target area that is 100 feet of a point located 1100 feet from the North and East lines (Unit A) of said Section 32, being an unorthodox gas well location for the Morrow formation. Further, the N/2 of said Section 32 is to be dedicated to said well to form a standard 320-acre gas spacing and proration unit in the Cemetery-Morrow Gas Pool. Said unit is located approximately 8 miles west of Lakewood, New Mexico.

CASE 11262: (Continued from April 20, 1995, Examiner Hearing.)

Application of Texaco Exploration and Production, Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the South Sand Dunes-Bone Spring Pool including a provision for a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil. Said pool currently comprises portions of Sections 29, 30, 31, and 32, of Township 23 South, Range 32 East, and is located on the Lea/Eddy County line approximately 2 miles north of State Highway No. 128.

CASE 11278: Application of Texaco Exploration and Production Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval to downhole commingle Justis-Blinbry Pool and Justis-Tubb-Drinkard Pool production within those wellbores that are located in portions of Sections 26 and 35, Township 24 South, Range 37 East and a portion of Section 2, Township 25 South, Range 37 East. Said area is located approximately 5 miles northeast of Eunice, New Mexico.

CASE 11279: Application of Exxon Corporation, pursuant to the provisions of Division Order No. R-9035, to relax the conditions governing the North King Camp-Devonian Pool and to acknowledge a recently approved Federal Unit Area in Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9035, which order established a pool allowable for the North King Camp-Devonian Pool of 235 barrels of oil per day to be shared by three 160-acre oil spacing and proration units all in Section 9, Township 14 South, Range 29 East, said allowable to remain in effect until such time as all interest owners in the pool have reached voluntary agreement to provide for unitized operations. Applicant further seeks to have the recently approved Anchor Deep (Federal) Unit Agreement recognized as an appropriate instrument needed, pursuant to the provisions of said Order No. R-9035, in order to have the pool allowable increased to 1,030 barrels of oil per day, to be distributed according to said unit agreement. Said pool/unit area is located approximately 17 miles east of Hagerman, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 11280: Application of Dalen Resources Oil & Gas Company for pool creation, a special gas-oil ratio, and for the assignment of a special depth bracket oil allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Delaware formation underlying the SE/4 NE/4 (Unit H) of Section 2, Township 25 South, Range 26 East (being approximately 2.5 miles south of the village of Black River, New Mexico) and for the promulgation of special rules and regulations therefor including provisions for a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil and for the assignment of a special poolwide depth bracket oil allowable, pursuant to Division General Rule 505(d), of 250 barrels of oil per day per.

CASE 11245: (Continued from April 20, 1995, Examiner Hearing.)

Application of Amoco Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated West Kutz-Pictured Cliffs Pool underlying the NE/4 of Section 14, Township 29 North, Range 13 West, thereby forming a standard 160-acre gas spacing and proration unit. Said unit is to be dedicated to the Roberts Well No. 1 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said area is located approximately 1.5 miles east of Farmington, New Mexico.

CASE 11270: (Continued from April 20, 1995, Examiner Hearing.)

Application of Maralo, 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 Morrow formation underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 3, Township 19 South, Range 28 East, thereby forming a 320.90-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 Millman-Wolfcamp Gas Pool, Undesignated Millman-Atoka Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and Undesignated Millman-Morrow Gas Pool. Said unit is 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 the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles east-southeast of the old Illinois Oil Camp.

CASE 11281: **Application of Maralo, 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 Bone Spring formation, underlying the SE/4 NW/4 (Unit F) of Section 4, Township 24 South, Range 29 East, forming a standard 40-acre oil spacing and proration unit. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles east-northeast of Malaga, New Mexico.

CASE 11266: (Continued from April 20, 1995, Examiner Hearing.)

Application of Nearburg Exploration 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 following described acreage in Section 32, Township 17 South, Range 27 East, and in the following manner: the N/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 Jennings Spring-Wolfcamp Gas Pool, Undesignated Logan Draw-Cisco/Canyon Gas Pool, Undesignated Red Lake-Pennsylvanian Gas Pool, Undesignated West Logan Draw-Morrow Gas Pool, and Undesignated Logan Draw-Morrow Gas Pool; the NE/4 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 extent; and the NW/4 NE/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 Red Lake Queen-Grayburg-San Andres Pool, Undesignated Empire-Abo Pool, and Undesignated Chalk Bluff-Wolfcamp Pool. Said units are to be dedicated to a single well to be drilled and completed at a standard location in Unit "B" of said Section 32. 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 Nearburg Producing Company as the operator of the well, and a charge for risk involved in drilling said well. Said well location is approximately 2.5 miles south of Riverside, New Mexico.

CASE 11248: (Continued from April 20, 1995, Examiner Hearing.)

Application of Bahlburg Exploration, Inc. for directional drilling and unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter the plugged and abandoned Manzano Oil Corporation Kim Harris Well No. 2, located 600 feet from the North line and 797 feet from the East line (Unit A) of Section 12, Township 16 South, Range 36 East, wherein the applicant proposes to kick-off from the vertical portion of the wellbore in a northerly direction to within 50 feet of the following targeted locations (both of which are unorthodox):

- in the Northeast Lovington-Wolfcamp Pool, 300 feet from the North line and 797 feet from the East line of said Section 12, the NE/4 NE/4 to be dedicated to this interval to form a standard 40-acre oil proration unit; and,
- in the Undesignated Northeast Lovington-Pennsylvanian Pool, 50 feet from the North line and 797 feet from the East line of said Section 12, the N/2 NE/4 to be dedicated to form a standard 80-acre oil proration unit.

Said well is located approximately 3 miles east of Lovington, New Mexico.

DOCKET: COMMISSION HEARING - THURSDAY - MAY 11, 1995

9:00 A.M. - 2040 SOUTH PACHECO

SANTA FE, NEW MEXICO

The Land Commissioner's designee for this hearing will be Jami Bailey or Gary Carlson

CASE 10907: (Readvertised)

In the matter of the hearing called by the Oil Conservation Division to amend Rules 1111, 1112 and 1115 of its General Rules and Regulations. The Oil Conservation Division seeks to amend its General Rules and Regulations to provide for the filing of Forms C-111, C-112, and C-115, respectively, on the last business day of the month following the month of production and to provide for the imposition of penalties for failure to file timely and accurate reports.

CASE 11143: (Readvertised)

In the matter of the hearing called by the Oil Conservation Division to amend Rule 711 of its General Rules and Regulations pertaining to the permitting of surface water disposal facilities. Some of the proposed amendments to Rule 711 include 1) adding "centralized" facilities to the scope of Rule 711; 2) increasing the scope of the notice requirements; 3) expanding the closure plan requirements; and 4) increasing the bonding requirements. Copies of the proposed amended Rule 711 are available by request in the Santa Fe Office and District Offices of the Division.

CASE 11216: (Continued from March 9, 1995, Commission Hearing.)

In the matter of the application of the Oil Conservation Division on its own motion for an order amending Rule 711 by incorporating existing Rule 312 and repealing Rule 312 of the General Rules and Regulations of the Oil Conservation Division. Said change pertains to the regulation of Treating Plants (Rule 312) and Commercial Surface Waste Disposal Facilities (Rule 711).