

Dockets Nos. 1-87 and 2-87 are tentatively set for January 7, 1987, and January 21, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 17, 1986
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

- ALLOWABLE: (1) Consideration of the allowable production of gas for January, 1987, from fifteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for January, 1987, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9042: (Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Fannie Lee Mitchell, United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Caudill SWD Well No. G-32 located 1980 feet from the North line and 1830 feet from the East line (Unit G) of Section 32, Township 15 South, Range 36 East, Lea County, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 9051: (Continued from December 3, 1986, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Petro-Thermo Corporation to appear and show cause why its Form C-133, Authorization to Haul Water, should not be cancelled for non-compliance with Oil Conservation Division's regulations.

CASE 9020: (Continued from November 19, 1986, Examiner Hearing) (This case will be dismissed)

Application of Merrion Oil and Gas Corporation for a unit agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Huffman Ranch Deep Unit Area comprising 2982.4 acres, more or less, of Federal and Patented lands in Townships 25 and 26 North, Range 2 West.

CASE 9030: (Continued from November 19, 1986, Examiner Hearing)

Application of Jerome P. McHugh for a unit agreement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Carracas Canyon Unit Area comprising 30,720.31 acres, more or less, of Federal and Fee lands in Townships 31 and 32 North, Ranges 4 and 5 West.

CASE 9031: (Continued from December 3, 1986, Examiner Hearing)

Application of Yates Petroleum Corporation for hardship gas well classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Mescal "SE" Federal Well No. 1 located 660 feet from the North line and 1750 feet from the West line (Unit C) of Section 18, Township 21 South, Range 22 East, Little Box Canyon-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 9034: (Readvertised)

Application of Cities Service Oil and Gas Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its proposed Elkan "A" Well No. 2 to be drilled 2310 feet from the North line and 990 feet from the West line (Unit E) of Section 25, Township 13 South, Range 34 East, Alston Ranch-Upper Pennsylvanian Pool, The W/2 NW/4 of said Section 25 to be dedicated to the well.

CASE 9052: Application of Estoril Producing Corporation for compulsory pooling, non-standard oil proration unit, and an unorthodox oil well location, 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 Northeast Lovington-Pennsylvanian Pool underlying Lots 1 and 2 of Section 7, Township 16 South, Range 37 East, to form a non-standard 102.82 acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing. Said unit is to be dedicated to a well to be drilled at an unorthodox oil well location 1200 feet from the North line and 600 feet from the West line of said Section 7. 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.

CASE 9053: Application of Mewbourne Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen and Penrose formations in the perforated interval from approximately 3875 feet to 3906 feet and 4128 feet to 4152 feet, respectively, in its Federal "E" Well No. 9 located 1980 feet from the North line and 330 feet from the East line (Unit H) of Section 28, Township 18 South, Range 32 East, Querecho Plains-Queen Associated Pool.

CASE 9045: (Continued from December 3, 1986, Examiner Hearing)

Application of Santa Fe Energy Operating Partners, L.P. 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 24, Township 22 South, Range 27 East, to form a standard 320-acre 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 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.

CASE 9054: Application of Pogo Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North line and 1650 feet from the West line of Section 26, Township 24 South, Range 28 East, to test the Wolfcamp and Strawn formations and the Undesignated Salt Draw-Atoka and Undesignated Malaga-Morrow Gas Pools, the N/2 of said Section 26 to be dedicated to the well.

CASE 9048: (Continued from December 3, 1986, Examiner Hearing) (This case will be continued to January 7, 1986.)

Application of Benson-Montin-Greer Drilling Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 20, Township 25 North, Range 1 West, to form a standard 640-acre spacing and proration 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.

CASE 9055: Application of Nearburg Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1665 feet from the North line and 830 feet from the East line of Section 12, Township 17 South, Range 37 East, Undesignated South Humble City-Strawn Pool, the E/2 NE/4 of said Section 12 to be dedicated to the well.

CASE 8849: (Continued from December 3, 1986, Examiner Hearing)

Application of Southland Royalty Company for NGPA Wellhead Price Ceiling Category Determinations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination by the Division that the following four wells in Township 19 South, Range 35 East, Scharb-Bone Spring Pool, meet the NGPA well category criteria for New Onshore Reservoir under Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission:

- 1) Smith "5" Well No. 2 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5;
- 2) Smith "5" Well No. 4 located 2149 feet from the South line and 700 feet from the East line (Unit I) of Section 5;
- 3) Scharb "8" Well No. 2 located 660 feet from the North line and 2180 feet from the East line (Unit B) of Section 8; and,
- 4) Scharb "9" Well No. 4 located 766 feet from the North line and 2086 feet from the West line (Unit C) of Section 9.

CASE 9049: (Continued from December 3, 1986, Examiner Hearing)

Application of Foran Oil Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the