

Dockets Nos. 37-86 and 38-86 are tentatively set for December 3 and December 17, 1986. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 19, 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:

CASE 9030: 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 9020: (Continued from November 5, 1986, Examiner Hearing)

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 9040: Application of Hixon Development Company for a non-standard oil proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard oil proration unit comprising the E/2 NW/4 of Section 31, Township 25 North, Range 11 West, Bisti-Lower Gallup Oil Pool, to be dedicated to a well to be drilled at a standard location 990 feet from the North line and 1980 feet from the West line of said Section 31.

CASE 9031: 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 9032: Application of John L. Cox for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 1980 feet from the North and West lines of Section 19, Township 9 South, Range 33 East, Undesignated South Flying "M"-Pennsylvanian Pool, the S/2 NW/4 of said Section 19 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit in said pool.

CASE 9033: Application of Challenger Energy, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Upper Delaware formation in the perforated interval from approximately 3321 feet to 3345 feet in its Bedena Federal Well No. 1 located 2055 feet from the South line and 660 feet from the West line (Unit L) of Section 18, Township 26 South, Range 30 East, Undesignated Brushy Draw-Delaware Pool.

CASE 9034: 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 S/2 NW/4 of said Section 25 to be dedicated to the well.

CASE 8696: (Reopened)

In the matter of Case 8696 being reopened pursuant to the provisions of Order No. R-8062, which promulgated temporary special rules and regulations for the Shipp-Strawn Pool in Lea County, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 8790: (Reopened)

In the matter of Case 8790 being reopened pursuant to the provisions of Order No. R-8062-A, which, in part, amended the temporary special rules and regulations for the Shipp-Strawn Pool in Lea County, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 9035: Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros Dakota Oil Pools underlying the E/2 of Section 20, Township 25 North, Range 2 West, forming a standard 320-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 9036: Application of Phillips Petroleum Company for a non-standard oil proration unit and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard oil spacing and proration unit comprising the SE/4 SW/4 (Unit N) of Section 4, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, to be dedicated to a well to be drilled at an unorthodox oil well location 330 feet from the South line and 2500 feet from the West line.

CASE 9037: Application of Meridian Oil Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Air Strip-Bone Spring Pool in Township 18 South, Ranges 34 and 35 East, including a provision for 80-acre oil spacing and proration units and designated well locations.

CASE 9038: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending the vertical and horizontal limits of certain pools in Chaves and Lea Counties, New Mexico:

- (a) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production and designated as the Carson-Atoka Gas Pool. The discovery well is the Robert N. Enfield Carson Federal Well No. 1 located in Unit L of Section 3, Township 9 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 31 EAST, NMPM  
Section 3: W/2

- (b) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the North Lovington-Atoka Gas Pool. The discovery well is the North American Royalties Inc. Hudgens Well No. 1 located in Unit J of Section 11, Township 16 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM  
Section 11: S/2

- (c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the West Pitchfork Ranch-Wolfcamp Gas Pool. The discovery well is the HNG Oil Company Madera Ridge 25 Fed Com Well No. 1 located in Unit L of Section 25, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM  
Section 25: W/2

- (d) EXTEND the Bronco Siluro-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM  
Section 15: NE/4

- (e) EXTEND the Central Corbin-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
Section 9: SW/4

- (f) EXTEND the South Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 38 EAST, NMPM  
Section 7: NW/4

- (g) EXTEND the vertical limits of the Lovington-San Andres Pool in Lea County, New Mexico, to include the Grayburg formation and redesignate said pool as the Lovington Grayburg-San Andres Pool.

- (h) EXTEND the North Lusk-Bone Spring Pool in Lea County, New Mexico, to include therein:

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