

Dockets Nos. 20-88 and 21-88 are tentatively set for July 6 and July 20, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 22, 1988

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:

CASE 9380: (Continued from June 8, 1988, Examiner Hearing)

Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Fork Unit Area comprising 20,775.02 acres, more or less, of State, Federal and Fee lands in portions of Townships 4 and 5 South, Ranges 21 and 22 East. The center of said acreage is approximately 3 1/4 miles west of the intersection of U.S Highway No. 285 and State Highway No. 20.

CASE 9381: (Continued from May 25, 1988, Examiner Hearing)

Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Camp State Unit Area comprising 5,453.34 acres, more or less, of State, Federal and Fee lands in portions of Township 5 South, Ranges 22 and 23 East. The unit area is located astraddle U.S. Highway No. 285 between the store and garage at Mesa, New Mexico, and the State-maintained Rest Stop three miles north of Mesa, New Mexico; being approximately 28 miles north of the town of Roswell, New Mexico.

CASE 9413: Application of Yates Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Avalon-Delaware Pool located in portions of Township 20 South, Ranges 27 and 28 East, including a provision to increase the gas-oil ratio limitation to 5,000 cubic feet of gas per barrel of oil. Said area is located approximately 9 miles north of Carlsbad, New Mexico.

CASE 9395: (Continued from June 8, 1988, Examiner Hearing)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 12, Township 13 South, Range 32 East, to test all formations and/or pools to the base of the Mississippian formation, developed on 320-acre spacing, the E/2 of said Section 12 to be dedicated to said well. Said well is approximately 12.75 miles south by east of Caprock, New Mexico.

CASE 9396: (Continued from June 8, 1988, Examiner Hearing)

Application of BCO, Inc. for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order modifying the standard 40-acre spacing requirements for its State "J" Well No. 1 located 540 feet from the North line and 820 feet from the East line (Unit A) of Section 16, Township 23 North, Range 7 West, which is presently completed as an oil well in both the Undesignated Lybrook-Gallup Oil Pool and Graneros formation (DHC-672) and dedicated to the NE/4 NE/4 of said Section 16, by: (a) permitting the dedication of an additional 40 acres (NW/4 NE/4) to said unit, thereby forming a non-standard 80-acre oil spacing and proration unit consisting of the N/2 NE/4 of said Section 16; and (b) said order to be made retroactive to the date of first production, October 13, 1987. Said well is located in Lybrook, New Mexico.
Application of BCO, Inc. for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order modifying the standard 40-acre spacing requirements for its State "J" Well No. 1 located 540 feet from the North line and 820 feet from the East line (Unit A) of Section 16, Township 23 North, Range 7 West, which is presently completed as an oil well in both the Undesignated Lybrook-Gallup Oil Pool and Graneros formation (DHC-672) and dedicated to the NE/4 NE/4 of said Section 16, by: (a) permitting the dedication of an additional 40 acres (NW/4 NE/4) to said unit, thereby forming a non-standard 80-acre oil spacing and proration unit consisting of the N/2 NE/4 of said Section 16; and (b) said order to be made retroactive to the date of first production, October 13, 1987. Said well is located in Lybrook, New Mexico.

CASE 9414: Application of Hanson Operating Company, Inc. for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 3 of the Special Rules and Regulations for the Allison-Pennsylvanian Pool, as promulgated by Division Order No. R-1389-B, thereby authorizing an unorthodox oil well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 17, Township 8 South, Range 37 East, the W/2 SE/4 of said Section 17 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately one mile southeast by south of Bluit, New Mexico.

CASE 9415: Application of Manzano Oil 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 Undesignated Santo Nino-Bone Spring Pool underlying either the SW/4 SE/4 of Section 30, Township 18 South, Range 30 East, to form a standard statewide 40-acre oil spacing and proration unit within said vertical limits or the W/2 SE/4 of said Section 30, to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing, both aforementioned units 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 risk involved in drilling said well. Said units are located 7.5 miles south by west of Loco Mills, New Mexico.

CASE 9385: (Continued from June 8, 1988, Examiner Hearing)

Application of Blackwood & Nichols Co., Ltd. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Ojo Alamo or Kirtland formation in the perforated interval from approximately 2422 feet to 2531 feet in its Northeast Blanco Unit Well No. 206 located 790 feet from the South line and 1190 feet from the West line (Unit M) of Section 10, Township 31 North, Range 7 West. Said well is approximately 8 miles north-northeast of the Navajo Lake Dam.

CASE 9416: Application of Union Oil Company of California d/b/a/ Unocal for special pool rules and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the House Yates - Seven Rivers Gas Pool, located in portions of Townships 19 and 20 South, Ranges 38 and 39 East, including a provision for 80-acre spacing and designated well locations. Applicant also seeks an exception to the well location requirements of the proposed new special pool rules for the Fletcher Well No. 1 to be re-entered 1980 feet from the North line and 330 feet from the West line of Section 5, Township 20 South, Range 39 East. Said area is approximately 2.5 miles east by south of Nadine, New Mexico.

CASE 9407: (Continued from June 8, 1988, Examiner Hearing)

Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2310 feet from the South line and 960 feet from the East line (Unit I) of Section 11, Township 22 South, Range 24 East, Undesignated McKittrick Hills-Morrow Gas Pool, the S/2 of said Section 11 to be dedicated to said well. This location is approximately 14.5 miles west of Carlsbad, New Mexico.

CASE 9419: Application of Amerind Oil 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 a depth of approximately 11,500 feet underlying the N/2 NW/4 of Section 32, Township 16 South, Range 37 East, to form a standard 80-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing 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 6.5 miles northwest of Humble City.

CASE 9350: (Continued from June 8, 1988, Examiner Hearing)

Application of Amerind Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard oil proration unit for production from the Strawn and Atoka formations comprising the SE/4 NE/4 and NE/4 SE/4 of Section 2, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, Undesignated Humble City-Strawn Pool, and Undesignated Humble City-Atoka Pool, said unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said unit is located approximately 4.5 miles north of Humble City, New Mexico.

CASE 9417: Application of Anadarko Petroleum Corporation for compulsory pooling and 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 Strawn formation underlying either the SE/4 SE/4 of Section 28, Township 16 South, Range 38 East, to form a standard statewide 40-acre oil spacing and proration unit or the E/2 SE/4 of said Section 28 forming a standard 80-acre oil spacing and proration unit for the Strawn formation, only if and at such time as special pool rules for 80-acre spacing in the Strawn formation are adopted in this area. Both aforementioned units are to be dedicated to a well to be drilled at an unorthodox oil well location 1100 feet from the South line and 450 feet from the East line (Unit P) of said Section 28. 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 location is approximately 5 miles south by west of the Old Hobbs Army Corps Auxiliary Airfield No. 1.

CASE 9362: (Continued from June 8, 1988, Examiner Hearing)

Application of Meridian Oil Inc. for the extension of the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool and the concomitant contraction of the Mount Nebo-Fruitland Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool to include any and all coal zones of the Fruitland formation, from approximately 2,579 feet to 2,878 feet, in Sections 3 through 6, Township 31 North, Range 10 West, and Sections 19 through 22 and 27 through 34, Township 32 North, Range 10 West. Applicant also seeks the concomitant contraction of said zones from the Mount Nebo-Fruitland Pool. Said area consists of 16 square miles in the form of a square centered approximately 5.5 miles east by north of Cedar Hill, New Mexico.

- (k) EXTEND the Four Ranch-PrePermian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 23: S/2
Section 25: N/2
Section 26: N/2

- (l) EXTEND the West Four Mile Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM
Section 7: N/2

- (m) EXTEND the South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 7: SE/4

- (n) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 22 EAST, NMPM
Section 17: SE/4

- (o) EXTEND the Rustler Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 4: W/2

- (p) EXTEND the Salt Draw-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 36: E/2

- (q) EXTEND the South Sand Dunes-Lower Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 3: S/2

- (r) EXTEND the North Shugart-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 7: SW/4

- (s) EXTEND the Tamano-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 14: W/2

- (t) EXTEND the Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 1: SW/4

Docket No. 28-88

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 15, 1988

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

CASE 9396: (De Novo)

Application of BCO, Inc. for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order modifying the standard 40-acre spacing requirements for its State "J" Well No. 1 located 540 feet from the North line and 820 feet from the East line (Unit A) of Section 16, Township 23 North, Range 7 West, which is presently completed as an oil well in both the Undesignated Lybrook-Gallup Oil Pool and Graneros formation (DHC-672) and dedicated to the NE/4 NE/4 of said Section 16, by: (a) permitting dedication of an additional 40 acres (NW/4 NE/4) to said unit, thereby forming a non-standard 80-acre oil spacing and proration unit consisting of the N/2 NE/4 of said Section 16; and (b) said order to be made retroactive to the date of first production, October 13, 1987. Said well is located in Lybrook, New Mexico. Upon application of BCO, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

(c) EXTEND the Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 22: NW/4

Docket No. 31-88

DOCKET: COMMISSION HEARING - THURSDAY - OCTOBER 20, 1988

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

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- CASE 9495: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1 to reflect the department name change to Energy, Minerals and Natural Resources Department.
- CASE 9496: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rules 4 and 1128 to reflect the correct Federal agency name and form numbers required on Federal land.
- CASE 9497: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rules 301, 303, and 306. The Division seeks the amendment of said rules to provide for changes in the oil proration schedule including issuing said schedule twice a year instead of three times a year.
- CASE 9498: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rules 1100 and 1123. The Division seeks the amendment of said rules to eliminate the requirement to file Form C-123 for pool extensions.
- CASE 9499: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1102 to eliminate the requirement for certification by a registered engineer on Form C-102.
- CASE 9500: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rules 1103 and 1104. The Division seeks amendment of said rules to reflect a change in language from "ownership" to "operator" of drilling and producing wells.
- CASE 9501: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1301 to reflect changes in district mailing addresses and to show district phone numbers.
- CASE 9502: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the revision of Division Forms C-101, C-102, C-103, C-104, C-105, C-115, C-116, C-120-A, C-123, C-133, and the Southeast Packer Leakage Form.
- CASE 9396: (Continued from September 15, 1988, Commissioner Hearing.) (De Novo)

Application of BCO, Inc. for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order modifying the standard 40-acre spacing requirements for its State "J" Well No. 1 located 540 feet from the North line and 820 feet from the East line (Unit A) of Section 16, Township 23 North, Range 7 West, which is presently completed as an oil well in both the Undesignated Lybrook-Gallup Oil Pool and Graneros formation (DHC-672) and dedicated to the NE/4 NE/4 of said Section 16, by: (a) permitting dedication of an additional 40 acres (NW/4 NE/4) to said unit, thereby forming a non-standard 80-acre oil spacing and proration unit consisting of the N/2 NE/4 of said Section 16; and (b) said order to be made retroactive to the date of first production, October 13, 1987. Said well is located in Lybrook, New Mexico. Upon application of BCO, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.