

CASE 9709: (Continued from July 26, 1989, Examiner Hearing.)

Application of Pacific Enterprises Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying Lots 1 thru 5, the SE/4 NW/4, and the S/2 NE/4 (N/2 equivalent) of Section 6, Township 20 South, Range 34 East, forming a 322.03-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing (which presently includes but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool and the Undesignated Teas-Pennsylvanian Gas Pool). Applicant also seeks an order pooling all mineral interests from the surface to the top of the Wolfcamp formation underlying Lots 3, 4, and 5, and the SE/4 NW/4 (NW/4 equivalent) of said Section 6, forming a 162.03-acre gas spacing and proration unit for any all formations and/or pools developed on 160-acre spacing. Both units are to be dedicated to a single well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 6. 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 well location is approximately 1/2 mile north of Mile Post No. 76 on U.S. Highway 62/180.

CASE 9719: (This Case will be dismissed.)

Application of Mallon Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Brushy Draw-Delaware Pool through the perforated interval from approximately 5593 feet to 5636 feet in its Amoco Federal Well No. 1 located 1665 feet from the South line and 330 feet from the East line (Unit I) of Section 27, Township 26 South, Range 29 East, which is located approximately 3/4 of a mile north of Mile Corner No. 53 located on the Texas/New Mexico Stateline.

CASE 9720: Application of Steve Sell for directional drilling, an unorthodox gas well location, non-standard gas proration unit, and to amend Order No. R-8928, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8928 (which authorized the applicant to directionally drill its Shafer Federal Com. Well No. 1 from a surface location 1327 feet from the South line and 1145 feet from the West line (Unit L) of Section 35, Township 21 South, Range 24 East, to a bottomhole unorthodox gas well location in the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool and Undesignated Indian Basin-Morrow Gas Pool being no closer than 1600 feet from the South line and 800 feet from the West line of Section 35, all of Section 35 to be dedicated to the well forming a 654.47-acre gas proration unit for both pools) by allowing the Shafer Federal Com Well No. 1 to be plugged back to the vertical portion of the wellbore, kicking-off in an east-southeasterly direction, and directionally drilling to a new unorthodox bottomhole location to a depth sufficient to test the Morrow formation within 200 feet of a point 900 feet from the South line and 2500 feet from the East line (Unit O) of said Section 35. Applicant further requests that this well be properly classified as a wildcat well in the Pennsylvanian formations and subject to the Statewide General Rules for such a test. The subject well is to be dedicated to Lots 1 through 6 and the W/2 SW/4 of said Section 35 forming a non-standard 334.47-acre gas spacing and proration unit. This well is located approximately 14 miles west of Carlsbad, New Mexico.

CASE 9721: Application of Marathon Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Blanco-Mesaverde Pool and Basin-Dakota Pool within the wellbore of its Jicarilla Apache Well No. 13E located 1850 feet from the North line and 930 feet from the West line (Unit E) of Section 33, Township 26 North, Range 5 West. Said well is located approximately 11 miles west of the Southern Union Gas Company Ojito Camp.

CASE 9722: Application of Marathon Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Blanco-Mesaverde Pool and Basin-Dakota Pool within the wellbore of its Jicarilla Apache Well No. 14E located 1850 feet from the North line and 1685 feet from the West line (Unit F) of Section 34, Township 26 North, Range 5 West. Said well is located approximately 9.5 miles west of the Southern Union Gas Company Ojito Camp.

CASE 9723: Application of Beach Exploration, Inc. for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Exxon "A" Federal Well No. 3 to be drilled 2410 feet from the North line and 1932 feet from the West line (Unit F) of Section 18, Township 16 South, Range 29 East, Undesignated High Lonesome-Queen Pool, the SE/4 NW/4 of said Section 18 to be dedicated to said well. The proposed well site is located approximately 10.5 miles northwest of Loco Hills, New Mexico.

CASE 8668: (Reopened) (Continued from July 26, 1989, Examiner Hearing.)

In the matter of Case No. 8668 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8031, issued in said Case No. 8668 and dated September 27, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 SE/4 (Unit P) of Section 23, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 8769: (Reopened) (Continued from July 26, 1989, Examiner Hearing.)

In the matter of Case No. 8769 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8091, issued in said Case No. 8769 and dated December 6, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 NE/4 (Unit H) of Section 26, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico.

CASE 9707: (Continued from July 26, 1989, Examiner Hearing.)

Application of Meridian Oil, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its Heizer Well No. 100 to be drilled 1430 feet from the North line and 2250 feet from the East line (Unit G) of Section 15, Township 32 North, Range 10 West, Basin-Fruitland Coal (Gas) Pool, Lots 1, 2, 3, and 4 and the W/2 E/2 (E/2 equivalent) of said Section 15 to be dedicated to said well forming a standard 311.43-acre gas spacing and proration unit for said pool. Said location is approximately 1 mile south of the Colorado/New Mexico Stateline on U.S. Highway 550.

Docket 24-89

DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 17, 1989

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

CASE 9611: (De Novo) (Continued from July 20, 1989, Commission Hearing.)

Application of The Petroleum Corporation of Delaware for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 1, Township 20 South, Range 29 East, Undesignated East Burton Flat-Morrow Gas Pool, the S/2 of said Section 1 to be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool. Said location is approximately 3.5 miles west of the Eddy Potash Inc. Mine and Refinery. Upon application of The Petroleum Corporation of Delaware, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9617: (De Novo) (Continued from July 20, 1989, Commission Hearing.)

Application of Curry and Thornton for an unorthodox oil well location and a non-standard proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1980 feet from the South line and 2475 feet from the West line (Unit K) of Section 9, Township 14 South, Range 29 East, Undesignated North King Camp-Devonian Pool, the E/2 W/2 of said Section 9 to be dedicated to a well forming a non-standard 160-acre oil spacing and proration unit for said pool. Said location is approximately 17 miles east of Hagerman, New Mexico. Upon application of Santa Fe Exploration Company and Curry and Thornton, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9670: (De Novo)

Application of Stevens Operating Corporation to amend Division Order No. R-8917, directional drilling and an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8917 to allow for re-entry of the currently plugged and abandoned Philtex Honolulu Federal Well No. 1 located 1980 feet from the South and West lines (Unit K) of Section 9, Township 14 South, Range 29 East, NMPM, North King Camp-Devonian Pool, in lieu of drilling a new well at the unorthodox location approved by said order. Applicant further seeks approval to directionally drill said Philtex Honolulu Federal Well No. 1 to a depth of approximately 9894 feet, and to bottom said well at an unorthodox bottomhole location 500 feet west of a point 1980 feet from the South line and 2475 feet from the West line of said Section 9. A 160-acre non-standard proration unit consisting of the E/2 W/2 of said Section 9 (Approved By Order No. R-8917) is to be dedicated to the above described well. Said location is approximately 17 miles east of Hagerman, New Mexico. Upon application of Santa Fe Exploration Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9697: (Continued from July 12, 1989, Examiner Hearing.)

Application of Santa Fe Exploration Company for amendment of the special rules and regulations for the North King Camp-Devonian Pool, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Rule 6 of the Special Rules and Regulations for the North King Camp-Devonian Pool as promulgated by Division Order No. R-8806 by establishing a special depth bracket allowable of 350 barrels of oil per day for the pool (pursuant to General Rule 505[d]). Said pool presently comprises the SE/4 of Section 9, Township 14 South, Range 29 East and is located approximately 17 miles east of Hagerman, New Mexico.

CASE 9729: Application of Meridian Oil Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas spacing and proration unit comprising the NE/4 NW/4, S/2 NW/4, and the SW/4 of Section 24 and the SE/4 SE/4 of Section 23, both in Township 31 North, Range 12 West, Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to the East Well No. 102 to be located at a standard coal gas well location 1310 feet from the South line and 1490 feet from the West line (Unit N) of said Section 24, which is approximately 4.5 miles northwest of Aztec, New Mexico.

CASE 9730: Application of Meridian Oil Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard 308.75-acre, more or less, gas spacing and proration unit comprising Lots 3 and 4 and the SW/4 NW/4 of Section 8 and Lots 1, 2, 3, 4 and 5, the SE/4 NW/4, and the S/2 NE/4 of Section 7, both in Township 32 North, Range 6 West, Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to the Allison Unit Well No. 133 located at a standard coal gas well location 790 feet from the North line and 2490 feet from the East line (Unit G) of said Section 7, which is approximately 3/8 mile west-southwest of Mile Post No. 245 on the Colorado/New Mexico Stateline.

CASE 9731: Application of Meridian Oil Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 377.66-acre non-standard gas spacing and proration unit comprising Lots 2, 5, 6, and 7, the SW/4, and the W/2 SE/4 of Section 11, Township 32 North, Range 7 West, Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to the Allison Unit Well No. 124 located at a standard coal gas well location 1570 feet from the South line and 1650 feet from the West line of said Section 11, which is approximately 1/2 mile south of Mile Corner No. 247.5 on the Colorado/New Mexico Stateline.

CASE 9732: Application of Meridian Oil Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 357.45-acre non-standard gas spacing and proration unit comprising Lots 1 and 2, NE/4 SW/4, S/2 SW/4, and SE/4 of Section 10 and Lots 3 and 4 of Section 11, both in Township 32 North, Range 7 West, Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to the Allison Unit Well No. 103 located at a standard coal gas well location 1745 feet from the South line and 2270 feet from the West line (Unit K) of said Section 10, which is approximately 1/2 mile southwest of Mile Corner No. 248 located on the Colorado/New Mexico Stateline.

CASE 9718: (Continued from August 9, 1989, Examiner Hearing.)

Application of Meridian Oil Inc. for the vertical contraction and redesignation of an existing Delaware Oil Pool and for a new pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to contract the vertical limits of the Parkway-Delaware Pool by excluding the upper portion of the Delaware formation identified as the "B" Sand interval and to redesignate said pool as the Parkway-Delaware "A" Sand Pool or the Parkway-Lower Delaware Pool. Applicant further seeks the concomitant creation of a new oil pool for Upper Delaware production designated as the Parkway-Delaware "B" Sand Pool or Parkway-Upper Delaware Pool with its horizontal limits to include all of Section 35, Township 19 South, Range 29 East. The applicant also requests that the effective date for such an order issued in this matter be June 16, 1989. The Parkway-Delaware Pool presently comprises all of Section 35 and the NW/4 of Section 36, Township 19 South, Range 29 East, which is located approximately 26 miles southeast by east of Artesia, New Mexico.

CASE 9721: (Continued from August 9, 1989, Examiner Hearing.)

Application of Marathon Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Blanco-Mesaverde Pool and Basin-Dakota Pool within the wellbore of its Jicarilla Apache Well No. 13E located 1850 feet from the North line and 930 feet from the West line (Unit E) of Section 33, Township 26 North, Range 5 West. Said well is located approximately 11 miles west of the Southern Union Gas Company Ojito Camp.

CASE 9722: (Continued from August 9, 1989, Examiner Hearing.)

Application of Marathon Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Blanco-Mesaverde Pool and Basin-Dakota Pool within the wellbore of its Jicarilla Apache Well No. 14E located 1850 feet from the North line and 1685 feet from the West line (Unit F) of Section 34, Township 26 North, Range 5 West. Said well is located approximately 9.5 miles west of the Southern Union Gas Company Ojito Camp.

CASE 9733: Application of Marathon Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle gas production from the Blanco-Mesaverde and Basin-Dakota Pools within the wellbore of the following 11 wells, all located on its Jicarilla Apache Lease in Township 26 North, Range 5 West, (which is located approximately 10 miles west of the Southern Union Gas Company Ojito Camp):

WELL NO.	FOOTAGE LOCATION	UNIT	SECTION
8	990' FSL and EL	P	27
8-E	1685' FS and WL	K	27
9	990' FNL - 1100' FEL	A	28
9-E	1040' FSL - 1685' FEL	O	28
10-E	1040' FNL - 1685' FWL	C	27

11-E	955' FNL - 1685' FWL	C	28
12	800' FN and EL	A	33
13-E	1850' FNL - 930' FWL	E	33
14-E	1850' FNL - 1685' FWL	F	34
16	1600' FSL - 900' FEL	I	34
16-E	825' FNL - 955' FEL	A	34

CASE 9734: Application of Devon Energy Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the ETZ State Unit Area comprising 640 acres, more or less, of State and Federal lands in portions of Sections 16 and 17, Township 17 South, Range 30 East. Said unit is located approximately 1 mile north of Loco Hills, New Mexico.

CASE 9735: Application of Devon Energy Corporation for waterflood expansion and to amend Division Order No. R-7926, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-7926, which approved the Texas American Oil Corporation Etz-Randel State Cooperative Waterflood Project in a portion of Section 16, Township 17 South, Range 30 East, Grayburg Jackson Pool, by including the N/2 NE/4 and SE/4 NE/4 of Section 17 whereby the project area would conform to its proposed ETZ State Unit Area. Applicant also requests that said waterflood project be redesignated the ETZ State Unit Waterflood Project and that it be named as the designated operator.

Further, the applicant requests approval to convert and utilize the ETZ "J" State Well No. 22 located 990 feet from the South line and 2310 feet from the East line (Unit O) of Section 16 and the Collier Federal Well No. 1 located 660 feet from the North and East lines (Unit A) of Section 17 into water injection wells and a proposed maximum surface injection pressure of 1600 psi for each well. Said area is located approximately 1 mile north of Loco Hills, New Mexico.

CASE 9736: Application of Wallen Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute a waterflood project on its Wallen Tonto Lease underlying the SW/4, N/2 SE/4, and the SE/4 SE/4 of Section 30, Township 19 South, Range 33 East, by the injection of water into the South Tonto Yates-Seven Rivers Pool through the open hole interval from approximately 2,900 feet to 3,113 feet in the Wallen Tonto Well No. 7 located 1650 feet from the South line and 990 feet from the East line (Unit I) of said Section 30. Said well is located approximately 4 miles north of Laguna Gatuna.

CASE 9737: Application of Phillips Petroleum Company to amend Division Order No. R-3668-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-3668-A, dated June 15, 1989, by changing the locations of the previously authorized Philmex Well No. 38, to be utilized as an injection well, to be drilled 1307 feet from the South line and 1245 feet from the West line (Unit M) and the Philmex Wells Nos. 39 and 40 (both to be utilized as observation wells) at the following respective locations 1478 feet from the South line and 1175 feet from the West line (Unit L) and 1682 feet from the South line and 1090 feet from the West line (Unit L), all locations are in Section 26, Township 17 South, Range 33 East. In addition, the applicant seeks to include the San Andres formation into its previously approved Maljamar Philmex Carbon Dioxide Injection Pilot Project. Said area is located approximately 7.5 miles west of Buckeye, New Mexico.

CASE 9708: (Continued and Readvertised.)

Application of Phillips Petroleum Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Cruces Lease underlying the S/2 of Section 26, Township 20 South, Range 34 East, by the injection of water into the Yates formation of the Lynch Yates-Seven Rivers Pool thru the perforated interval from approximately 3509 feet to 3629 feet in the Cruces Well No. 3 located 330 feet from the South line and 1655 feet from the West line (Unit N) of said Section 26. This well is located approximately 4.5 miles south of Mile Post No. 77 on U.S. Highway 62/180.

CASE 9738: Application of Kelt Oil and Gas, Inc. for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the designated and Undesignated Cato-San Andres Pool underlying 15,321.83 acres, more or less, of State, Federal, and Fee lands in Townships 8 and 9 South, Range 30 East. Said unit is to be designated the Cato Unit. Among the matters to be considered at the hearing will be the necessity of unit operation; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of the production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any nonconsenting working interest owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 11 miles south-southeast of Boaz, New Mexico.