

CASE 10236: Application of Meridian Oil Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 50 feet below the base of the Queen formation to 50 feet below the base of the Delaware formation underlying the NW/4 SE/4 (Unit J) of Section 12, Township 18 South, Range 31 East, 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 East Shugart-Delaware Pool. 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2.75 miles south by west of New Mexico State Highway No. 529 at the Lea/Eddy County line.

CASE 10237: Application of Meridian Oil Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 50 feet below the base of the Queen formation to 50 feet below the base of the Delaware formation underlying the NE/4 SW/4 (Unit K) of Section 12, Township 18 South, Range 31 East, 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 East Shugart-Delaware Pool. 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles south by west of New Mexico State Highway No. 529 at the Lea/Eddy County line.

CASE 10238: Application of Meridian Oil Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 50 feet below the base of the Queen formation to 50 feet below the base of the Delaware formation underlying the SE/4 SW/4 (Unit N) of Section 12, Township 18 South, Range 31 East, 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 East Shugart-Delaware Pool. 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles south by west of New Mexico State Highway No. 529 at the Lea/Eddy County line.

CASE 10239: Application of Meridian Oil Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 50 feet below the base of the Queen formation to 50 feet below the base of the Delaware formation underlying the SW/4 SE/4 (Unit O) of Section 12, Township 18 South, Range 31 East, 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 East Shugart-Delaware Pool. 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3.25 miles south by east of New Mexico State Highway No. 529 at the Lea/Eddy County line.

CASE 10211: (Continued from January 24, 1991, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 Wolfcamp formation underlying the following described acreage in Section 8, Township 18 South, Range 33 East, and in the following manner: the W/2 NW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated South Corbin-Wolfcamp Pool; and the SW/4 NW/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 West Corbin-Delaware Pool, Undesignated Central Corbin-Queen Pool, Undesignated West Corbin-San Andres Pool, and Undesignated Corbin-Bone Spring Pool. Said units are to be dedicated to a single well to be drilled at a standard oil well location 1980 feet from the North line and 660 feet from the West line of said Section 8. 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 7.5 miles southeast by south of Maljamar, New Mexico.

CASE 10221: (Continued from January 24, 1991, Examiner Hearing.)

Application of Conoco Inc. for the amendment of Order No. R-4691, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-4691, as amended, which promulgated special pool rules for the North Dagger Draw-Upper Pennsylvanian Pool located in Townships 19 and 20 South, Ranges 24 and 25 East. Applicant seeks the establishment of a special depth bracket allowable for a standard 160-acre oil spacing and proration unit in said pool of 700 barrels of oil per day. Said pool is located approximately 9 miles west of Lakewood, New Mexico.

and all formations developed on 40-acre oil spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled 1980 feet from the North line and 2310 feet from the East line (Unit G) of said Section 29, which is a standard oil and gas well location for zones spaced on 320 acres and 40 acres but is an unorthodox gas well location for zones spaced on 160 acres. 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 area is located approximately 7 miles north of Mile Marker No. 167 on U.S. Highway 380.

CASE 10203: (Continued from January 24, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 560 feet from the West line (Unit E) of Section 14, Township 19 South, Range 24 East, to test both the Undesignated Penasco Draw-Permo Pennsylvanian Gas Pool and Boyd-Morrow Gas Pool, the N/2 of said Section 14 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for both zones. The proposed well site is located approximately 14.5 miles southeast of Hope, New Mexico.

CASE 10223: (Continued from January 24, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Cowboy Draw Unit Agreement for an area comprising 28,800 acres, more or less, of State and Federal lands in Townships 4 and 5 South, Ranges 20 and 21 East, which is located approximately 10 miles west-southwest of Mesa, New Mexico.

CASE 10224: (Continued from January 24, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Blackwater Unit Agreement for an area comprising 41,610 acres, more or less, of State and Federal lands in Township 9 South, Ranges 21 and 22 East, which is located approximately 17 miles northwest by west of Roswell, New Mexico.

CASE 10225: (Continued from January 24, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Salt Creek Unit Agreement for an area comprising 97,800 acres, more or less, of State and Federal lands in Townships 6, 7, and 8 South, Ranges 21 and 22 East, which is located approximately 27 miles northwest of Roswell, New Mexico.

CASE 10235: Application of Strata Energy Resources Corporation 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 Abo formation underlying the following described acreage in Section 14, Township 19 South, Range 38 East, and in the following manner: the SW/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 Nadine Drinkard-Abo Pool and Undesignated Hobbs Grayburg-San Andres Pool; and 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, which presently includes but is not necessarily limited to the Undesignated Nadine-Yates Gas Pool. Said units are to be dedicated to a single 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. Said unit is located approximately 3/4 mile south of the Everglade Cemetery.

CASE 10182: (Continued from January 24, 1991, 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 of an unorthodox coal gas well location for its existing Angel Peak "B" Well No. 44 located 485 feet from the North line and 2310 feet from the West line (Unit C) of Section 24, Township 28 North, Range 11 West, Basin-Fruitland Coal Gas Pool, the N/2 of said Section 24 to be dedicated to the subject well forming a standard 320-acre gas spacing and proration unit for said pool. Said well is located approximately 4.5 miles south-southeast of Bloomfield, New Mexico.

CASE 10183: (Continued from January 24, 1991, 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 of an unorthodox coal gas well location for the existing Union Texas Petroleum Corporation Angel Peak "B" Well No. 31 located 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 25, Township 28 North, Range 11 West, the W/2 of said Section 25 to be dedicated to the subject well forming a standard 320-acre gas spacing and proration unit for said pool. Said well is located approximately 5.5 miles south by east of Bloomfield, New Mexico.

CASE 10202: (Continued from February 7, 1991, Examiner Hearing.)

Application of Seay Exploration, 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 Abo formation underlying the following described acreage and in the following manner: Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 6, Township 20 South, Range 39 East, forming a 160.12-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre spacing, which presently includes but is not necessarily limited to the House-Yates Seven Rivers Gas Pool and the SW/4 NE/4 of said Section 6 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing, which presently includes but is not necessarily limited to the House-San Andres, Undesignated House-Blinberry and House-Drinkard Pools. Said units are to be dedicated to a single well to be drilled at a standard location in the SW/4 NE/4 (Unit G) 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 unit is located approximately 3 miles east-southeast of the community of Madine, New Mexico.

CASE 10257: Application of Nearburg Producing Company for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated North Osudo-Morrow Gas Pool underlying all of irregular Section 19, Township 19 South, Range 36 East, forming a non-standard 629.62-acre gas spacing and proration unit for said pool, 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8 miles west by north of Monument, New Mexico.

CASE 10258: Application of Nearburg Producing 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 the base of the Morrow formation underlying the N/2 of Section 23, Township 20 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Laguna Valley-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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 4.5 miles south of U.S. Highway 62/180 at Mile Marker No. 80.5.

CASE 10259: Application of Chevron U.S.A., Inc. for statutory unitization, Lea 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 Grayburg and San Andres formations, more or less, underlying 5922.26 acres, more or less, of Federal, State, and Fee lands comprising portions of Townships 21 and 22 South, Ranges 36 and 37 East. Said unit is to be designated the Arrowhead Grayburg (San Andres) Unit. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of 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. Said Unit Area is located 3 to 5 miles west of Eunice, New Mexico.

CASE 10260: Application of Chevron U.S.A., Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its proposed Arrowhead Grayburg (San Andres) Unit Area (Division Case No. 10259) located in portions of Townships 21 and 22 South, Ranges 36 and 37 East, by the injection of water into the unitized interval which includes the Grayburg and San Andres formations, more or less, through 50 certain wells to either be drilled, recompleted or converted from producing to water injection wells. Said project area is located 3 to 5 miles west of Eunice, New Mexico.

CASE 10261: Application of Chevron U.S.A., Inc. for pool extensions and contractions, Lea County, New Mexico. Applicant, in the above-styled cause, in conjunction with its Arrowhead Grayburg (San Andres) Unit and waterflood project (Division Cases Nos. 10259 and 10260), applicant seeks to contract and extend the horizontal and/or vertical limits of the Arrowhead-Grayburg, Penrose-Skelly, Langlie-Mattix, and Eumont Gas Pools in portions of Townships 21 and 22 South, Ranges 36 and 37 East, which is 3 to 5 miles west of Eunice, New Mexico.

CASE 10262: (Continued from February 7, 1991, Examiner Hearing.)

Application of Meridian Oil Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 50 feet below the base of the Queen formation to 50 feet below the base of the Delaware formation underlying the NW/4 SE/4 (Unit J) of Section 12, Township 18 South, Range 31 East, 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 East Shugart-Delaware Pool. 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2.75 miles south by west of New Mexico State Highway No. 529 at the Lea/Eddy County line.

Dockets Nos. 8-91 and 9-91 are tentatively set for March 21, 1991 and April 4, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 7, 1991

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

CASE 10141: (Continued from February 7, 1991, Examiner Hearing.)

Application of Samuel Gary Jr. and Associates, Inc. for a gas reinjection/pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas reinjection/pressure maintenance project in its San Isidro (Shallow) Unit Area located in Townships 20 and 21 North, Ranges 2 and 3 West, by the injection of gas into the Rio Puerco-Mancos Oil Pool through the openhole interval from approximately 3793 feet to 4188 feet in its San Isidro 11 Well No. 16 located 660 feet from the South line and 630 feet from the West line (Unit P) of Section 11, Township 20 North, Range 3 West. Said project area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 10233: (Continued from February 7, 1991, Examiner Hearing.)

Application of Mobil Exploration & Producing Company for approval of salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the South Vacuum Devonian Pool, in the open hole interval from approximately 11,800 feet to 13,970 feet in its State Section 27 Well No. 1 located 660 feet from the North line and 1983 feet from the East line (Unit B) of Section 27, Township 18 South, Range 35 East. Said well is located approximately 5 miles east of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 10255: Application of Mobil Exploration & Producing U.S. Inc. for an unorthodox oil well location and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Undesignated West Lindrith Gallup-Dakota Oil Pool for its Lindrith "B" Unit Well No. 78 to be drilled 2030 feet from the South line and 143 feet from the West line (Unit L) of Section 6, Township 24 North, Range 2 West, Lots 6 and 7 and the E/2 SW/4 (SW/4 equivalent) of said Section 6 to be dedicated to said well forming a non-standard 151.34-acre oil spacing and proration unit for said pool. Said unit is located approximately 3.5 miles northwest of Lindrith, New Mexico.

CASE 10241: (Readvertised)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Undesignated West Dagger Draw-Morrow Gas Pool to be drilled 560 feet from the South and East lines (Unit P) of Section 9, Township 20 South, Range 24 East, the E/2 of said Section 9 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 10 miles west of Seven Rivers, New Mexico.

CASE 10234: (Continued from February 7, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ordovician formation underlying the following described acreage in Section 29, Township 9 South, Range 26 East, and in the following manner: the W/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 Foor Ranch-PrePermian Gas Pool and Undesignated East Bitter Lakes-Wolfcamp 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, which presently includes but is not necessarily limited to the South Pecos Slope-Abo Gas Pool; and the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre oil spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled 1980 feet from the North line and 2310 feet from the East line (Unit G) of said Section 29, which is a standard oil and gas well location for zones spaced on 320 acres and 40 acres but is an unorthodox gas well location for zones spaced on 160 acres. 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 7 miles north of Mile Marker No. 167 on U.S. Highway 380.

CASE 10256: Application of LBO New Mexico, 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 Mississippian formation or to a depth of 11,200 feet, whichever is deeper, underlying the following described acreage in Section 9, Township 11 South, Range 33 East and in the following manner: the S/2 forming 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; the W/2 SW/4 forming a standard 80-acre oil spacing and proration unit in the North Bagley-Permian Pennsylvanian Pool; and the NW/4 SW/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing. Said units are to be dedicated to a single well to be drilled 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 9 being a standard oil well location but an unorthodox gas well location. 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 5 miles east by south of Caprock, New Mexico.