

CASE 10829: (Continued from September 23, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the following described areas in Section 32, Township 18 South, Range 34 East, and in the following manner: the E/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 SE/4 forming 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; and the W/2 SE/4 forming 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, including the EK-Bone Spring Pool. Said unit is to be dedicated to the applicant's Larica 32 State Well No. 1, to be drilled at an orthodox location within said E/2 proration unit. 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 the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 7.5 miles west of Arkansas Junction.

CASE 10838: **Application of Harvey E. Yates Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks authorization to drill its Young Deep Unit Well No. 21 at an unorthodox oil well location 1330 feet from the South and West lines (Unit K) of Section 3, Township 18 South, Range 32 East, to test the Undesignated Young-Wolfcamp Pool. The NE/4 SW/4 of Section 3 is to be dedicated to the above-described well forming a standard 40-acre oil spacing and proration unit for said pool. Said well is located approximately 6 miles south of Maljamar, New Mexico.

CASE 10839: **Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 28, Township 18 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any Morrow Pools within said vertical extent which presently includes the Undesignated West La Rica-Morrow Gas Pool. Said unit is to be dedicated to its Ekay 28 State Well No. 1, to be drilled at an orthodox location within Unit J of said E/2 proration unit, 2050 feet from the South line and 1800 feet from the East line 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 12 miles southeast of Maljamar, New Mexico.

CASE 10840: **Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 28, Township 18 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any Morrow Pools within said vertical extent which presently includes the Undesignated West La Rica-Morrow Gas Pool. Said unit is to be dedicated to its Ekay 28 State Well No. 4, to be drilled at an orthodox location within Unit K of said W/2 proration unit, 1980 feet from the South and West lines 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 12 miles southeast of Maljamar, New Mexico.

CASE 10841: **Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the SW/4 SW/4 of Section 1, Township 14 South, Range 33 East forming 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 the Undesignated Saunders Permo-Upper Pennsylvanian Pool. Said unit is to be dedicated to its Childress "AKV" Well No. 1 to be drilled at a standard location 990 feet from the South line and 330 feet from the West line (Unit M) of said Section 1. 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 20 miles southeast of Caprock, New Mexico.

CASE 10842: **Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks authorization to drill its Hickory "ALV" Federal Well No. 3 at a location 2166 feet from the South line and 2253 feet from the West line (Unit K) of Section 17, Township 22 South, Range 24 East, to test the Upper Pennsylvanian formation, Indian Basin-Upper Pennsylvanian Associated Pool. The W/2 of Section 17 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 8 miles southeast of Carlsbad, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 7, 1993
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 31-93 and 32-93 are tentatively set for October 21, 1993 and November 4, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

CASE 10812: (Continued from September 23, 1993, Examiner Hearing.)

Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal Gas Pool, underlying the N/2 of Section 33, Township 26 North, Range 11 West, 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, which presently includes only the Basin Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon in said Section 33. 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 the operator of the well, and a charge for risk involved in drilling said well. Said unit is located near the Huerfano Boarding School.

CASE 10833: (Continued from September 23, 1993, Examiner Hearing.)

Application of Giant Exploration & Production Company for an unorthodox infill coal gas well location, San Juan County, New Mexico. Applicant seeks approval of an unorthodox coal gas well location 1850 feet from the South line and 790 feet from the East line of Section 29, Township 25 North, Range 12 West, Basin-Fruitland Coal (Gas) Pool. Further, the applicant seeks an exception to the requirements of Rule No. 4 of the Special Rules and Regulations for said Basin-Fruitland Coal (Gas) Pool as promulgated by Division Order No. R-8768, as amended, to allow the drilling of a second well on a standard 320-acre spacing and proration unit comprising the E/2 of said Section 29. Said unit is located approximately 8 miles south of Chaco Plant.

CASE 10711: (Reopened)

In the matter of Case No. 10711 being reopened upon the application of Yates Petroleum Corporation for a new well location in the waterflood project approved for its Creek "AL" Federal Lease by Division Order No. R-9896, issued in Case 10711 on May 18, 1993. Applicant also seeks the establishment of an administrative procedure for the approval of additional well locations within this project. The Creek "AL" Federal Lease is located in the E/2 SE/4 of Section 23, the NW/4 SW/4 and S/2 S/2 of Section 24, and the NW/4 and E/2 NE/4 of Section 25, Township 18 South, Range 30 East, which is located approximately 6 miles east of Walters Lake.

CASE 10836: Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks approval to drill its Kachina "5" Well No. 5 at an unorthodox oil well location 660 feet from the South line and 990 feet from the West line (Unit M) of Section 5, Township 18 South, Range 33 East, to test the Wolfcamp formation, South Corbin-Wolfcamp Pool. The S/2 SW/4 of said Section 5 will be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool. Said well is located approximately 7 miles southeast of Maljamar, New Mexico.

CASE 10837: Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its North Pure Gold "9" Fed. Well No. 2 at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 9, Township 23 South, Range 31 East, to test the Atoka and Morrow formations, Undesignated Los Medanos-Morrow Gas Pool, West Sand Dunes-Atoka Gas Pool, and Undesignated West Sand Dunes-Morrow Gas Pool. The S/2 of said Section 9 will be dedicated to the well forming a standard 320-acre gas spacing and proration unit for said pool(s). Said well is located approximately 11 miles southeast of Lindsey Lake.

CASE 10775: (Continued from September 9, 1993, examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox infill gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant seeks approval of an unorthodox well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 1, Township 24 South, Range 28 East, Malaga-Atoka Gas Pool. Further, the applicant seeks an exception to Division General Rule 104.c(2) to allow the existing 320-acre gas spacing and proration unit comprising the S/2 of said Section 1 to be simultaneously dedicated in the Malaga-Atoka Gas Pool to the proposed well and to the existing Malaga Federal 1 Well No. 1 located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 1. Said unit is located approximately 2 miles northeast of Malaga, New Mexico.

CASE 10864: (Continued from November 4, 1993, Examiner Hearing.)

Application of Texaco Exploration and Production Inc. for nine lease line injection wells, Rhodes Yates Waterflood, Lea County, New Mexico. Applicant seeks authority to drill the following nine lease line injection wells in its Rhodes Yates Cooperative Waterflood for injection into the Yates and Seven Rivers formations, Rhodes Yates-Seven Rivers Pool, in the following wells in Township 26 South, Range 37 East:

Rhodes NCT Coop Fed. Com-1 No. 1, to be located 1572 feet FSL, 2375 feet FEL of Section 27;
Rhodes NCT Coop Fed. Com-1 No. 2, to be located 2310 feet FNL and FEL of Section 27;
Rhodes NCT Coop Fed. Com-1 No. 3, to be located 1155 feet FNL, 2376 feet FEL of Section 27;
Rhodes Yates Coop Fed. Com-2 No. 1, to be located 2551 feet FNL, 44 feet FWL of Section 27;
Rhodes Yates Coop Fed. Com-3 No. 1, to be located 1360 feet FSL, 50 feet FWL of Section 27;
Rhodes Yates Coop Fed. Com-4 No. 1, to be located 1430 feet FSL, 10 feet FEL of Section 21;
Rhodes Yates Coop Fed. Com-5 No. 1, to be located 130 feet FNL, 10 feet FWL of Section 27;
Rhodes Yates Coop Fed. Com-4 No. 2, to be located 130 feet FNL, 1310 feet FWL of Section 27;
Rhodes Yates Coop Fed. Com-6 No. 1, to be located 130 feet FNL, 2588 feet FWL of Section 27.

This project is located approximately 6 miles south by southeast of Jal, New Mexico.

CASE 10871: **Application of Santa Fe Energy Partners, L.P. for compulsory pooling and to shut-in a producing well, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 10, Township 20 South, Range 24 East, forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the South Dagger Draw-Upper Pennsylvanian Associated Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location within said W/2 proration unit. 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 the operator of the well, and a charge for risk involved in drilling said well. Applicant also requests that the existing Yates Petroleum Corporation Judith "AJ" Fed. Well No. 1, located 660 feet from the South and East lines of Section 9, Township 20 South, Range 24 East, be shut-in pending the drilling and completion of applicant's proposed well. Said unit is located approximately 2.5 miles west of Seven Rivers, New Mexico.

CASE 10839: (Continued from October 7, 1993, Examiner Hearing.)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 28, Township 18 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any Morrow Pools within said vertical extent which presently includes the Undesignated West La Rica-Morrow Gas Pool. Said unit is to be dedicated to its Ekay 28 State Well No. 1, to be drilled at an orthodox location within Unit J of said E/2 proration unit, 2050 feet from the South line and 1800 feet from the East line 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 12 miles southeast of Maljamar, New Mexico.

CASE 10849: (Continued from October 7, 1993, Examiner Hearing.)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 28, Township 18 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any Morrow Pools within said vertical extent which presently includes the Undesignated West La Rica-Morrow Gas Pool. Said unit is to be dedicated to its Ekay 28 State Well No. 4, to be drilled at an orthodox location within Unit K of said W/2 proration unit, 1980 feet from the South and West lines 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 12 miles southeast of Maljamar, New Mexico.

CASE 10839: (Continued from November 18, 1993, Examiner Hearing.)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 28, Township 18 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any Morrow Pools within said vertical extent which presently includes the Undesignated West La Rica-Morrow Gas Pool. Said unit is to be dedicated to its Ekay 28 State Well No. 1, to be drilled at an orthodox location within Unit J of said E/2 proration unit, 2050 feet from the South line and 1800 feet from the East line 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 12 miles southeast of Maljamar, New Mexico.

CASE 10840: (Continued from November 18, 1993, Examiner Hearing.)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 28, Township 18 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any Morrow Pools within said vertical extent which presently includes the Undesignated West La Rica-Morrow Gas Pool. Said unit is to be dedicated to its Ekay 28 State Well No. 4, to be drilled at an orthodox location within Unit K of said W/2 proration unit, 1980 feet from the South and West lines 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 12 miles southeast of Maljamar, New Mexico.

CASE 10869: (Continued from November 18, 1993, Examiner Hearing.)

Application of Yates Petroleum Corporation for amendment of the Special Rules and Regulations of the South Dagger Draw-Upper Pennsylvanian Associated Pool (Division Order No. R-5353), Eddy County, New Mexico. Applicant seeks the deletion of Rule 5(b) of Order No. R-5353 thereby authorizing simultaneous dedication of both gas wells and oil wells to the same spacing unit within the South Dagger Draw-Upper Pennsylvanian Associated Pool in portions of Township 20 South, Range 24 East. Said area is located approximately 10 miles southeast of Hope, New Mexico.

CASE 10875: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the S/2 of Section 10, Township 20 South, Range 24 East, forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard location 660 feet from the South and East lines in the S/2 of said Section 10 to test any and all formations to the base of the Canyon formation, South Dagger Draw-Upper Pennsylvanian Pool. 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 the operator of the well, and a charge for risk involved in drilling said well. Said area is located approximately 3 miles west of Seven Rivers, New Mexico.

CASE 10862: (Continued from November 4, 1993, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks authorization to drill to the Morrow formation, Crooked Creek Morrow Gas Pool, its Redbone BP Federal Well No. 2 at an unorthodox gas well location 1980 feet from the North line and 510 feet from the East line (Unit H) of Section 10, Township 24 South, Range 24 East. The N/2 of said Section 10 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 4 miles west by southwest of Mosley Spring.

CASE 10748: (Reopened)

In the matter of Case No. 10748 being reopened upon application of Yates Petroleum Corporation to amend the spacing requirements for the Indian Basin-Upper Pennsylvanian Associated Pool established by Order No. R-9922, Eddy County, New Mexico. Division Order No. R-9922 granted the application of Yates Petroleum Corporation for creation of the Indian Basin-Upper Pennsylvanian Associated Pool and the adoption of temporary Special Rules and Regulations therefor including 320-acre spacing. At this time Yates Petroleum Corporation requests the Division to amend the Special Rules and Regulations for said pool to provide for 160-acre spacing and proration units. Said area is located approximately 2 miles east of Lone Butte.

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 2, 1993
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 36-93 and 37-93 are tentatively set for December 16, 1993 and January 6, 1994. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 10111: (Reopened)

In the matter of Case 10111 being reopened pursuant to the provisions of Division Order No. R-8170-J, as amended, which order established minimum gas allowables in the Jalmat Gas Pool in Lea County. Operators in said pool may appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Jalmat Gas Pool. This case will be continued to the January 6, 1994, hearing.

CASE 10856: (Continued from November 4, 1993, Examiner Hearing.)

Application of Hanson Operating Company, Inc., for a high angle/horizontal directional drilling pilot project and for special operating rules therefore, Roosevelt County, New Mexico. Applicant seeks authority to initiate a short-radius high angle/horizontal directional drilling pilot project in the NW/4 SE/4 of Section 17, Township 8 South, Range 37 East, being a standard 40-acre oil spacing and proration unit in the Undesignated North Allison-San Andres Pool. Applicant proposes to utilize its existing Tuxedo Federal Well No. 1 located 1990 feet from the South line and 2004 feet from the East line (Unit J) of said Section 17 by kicking-off from vertical at an approximate depth of 4825 feet, build angle to approximately 90 degrees with a short radius curve and continue with a horizontal drainhole in said pool. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of any drainhole in said project area to within 330 feet of the outer boundary of said 40-acre unit. Said project area is located approximately 9.75 miles south by east of Milnesand, New Mexico.

CASE 10872: Application of Santa Fe Energy Operating Partners, L.P. for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Sage Unit Agreement for an area comprising 3,840 acres, more or less, of State lands in Sections 3, 4, 5, 8, 9, and 10, Township 24 South, Range 33 East, which is centered approximately two miles north of State Highway 128 Mile Marker 27.

CASE 10873: Application of Mewbourne Oil Company for Special Pool Rules for the Walters Lake-Bone Spring Pool, Eddy County, New Mexico. Applicant seeks an order providing for a gas/oil ratio of 5,000 cubic feet of gas per barrel of oil produced for the Walters Lake-Bone Spring Pool, which covers parts of Sections 2 and 3, Township 18 South, Range 30 East. Said pool is centered approximately 5 miles southwest of Maljamar, New Mexico.

CASE 10829: (Readvertised)

Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described areas in Section 32, Township 18 South, Range 34 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 SE/4 forming 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; the W/2 SE/4 forming 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, including the EK-Bone Spring Pool; and the NW/4 SE/4 forming 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. Said unit is to be dedicated to the applicant's Larica 32 St. Well No. 1, to be drilled at an orthodox location within said S/2 proration unit. 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 the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles west of the intersection of State Highway 529 and 8.

CASE 10874: Application of Mewbourne Oil Company for compulsory pooling, unorthodox well location, and non-standard spacing units, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying following described areas in Section 19, Township 19 South, Range 29 East, and in the following manner: the W/2 forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, the SW/4 forming 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; the SW/4 SW/4 forming 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. Said unit is to be dedicated to its Parkchester "19" State Well No. 1 to be drilled at an unorthodox location 990 feet from the South line and 740 feet from the West line of said Section 19. 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 17 miles southeast of Artesia, New Mexico.