

**CASE 10772:** (Continued from September 9, 1993, Examiner Hearing.)

Application of Barber Oil Inc. for salt water disposal, Eddy County, New Mexico. Applicant seeks authority to utilize its Stovall-Wood Well No. 5 located 880 feet from the North line and 1580 feet from the West line (Unit C) of Section 20, Township 20 South, Range 30 East, to dispose of produced salt water into the Rustler Lime formation through the perforated interval from approximately 195 feet to 255 feet. Said well is located 2 miles northeast of the National Potash Company Mine.

**CASE 10843:** Application of Meridian Oil Inc. for a high angle/horizontal directional drilling pilot project, an unorthodox oil well location, a non-standard oil proration unit, a special project allowable, and special operating rules therefor, San Juan County, New Mexico. Applicant seeks to initiate a high angle/horizontal directional drilling pilot project in the Gallup formation, Horseshoe Gallup Oil Pool, underlying the E/2 of Section 18, Township 30 North, Range 15 West. Applicant proposes to drill its Black Diamond Com 18 Well No. 1 by commencing at a standard well location in Unit B of Section 18, then kicking-off from vertical in a southeasterly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Applicant further seeks the adoption of special operating provisions and rules within the project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 330 feet to any boundary of a non-standard spacing and proration unit consisting of the E/2 of said Section 18, an unorthodox oil well location, and for a special project allowable. Said project is located approximately 4-1/2 miles north-northeast of Waterflow, New Mexico.

**CASE 10844:** Application of Meridian Oil Inc. for a high angle/horizontal directional drilling pilot project, an unorthodox oil well location, a non-standard oil proration unit, a special project allowable, and special operating rules therefor, San Juan County, New Mexico. Applicant seeks to initiate a high angle/horizontal directional drilling pilot project in the Gallup formation, Horseshoe Gallup Oil Pool, underlying the W/2 of Section 8, Township 30 North, Range 15 West. Applicant proposes to drill its Black Diamond Com 8 Well No. 1 by commencing at a standard well location in Unit D of Section 8, then kicking-off from vertical in a southeasterly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Applicant further seeks the adoption of special operating provisions and rules within the project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 330 feet to any boundary of a non-standard spacing and proration unit consisting of the W/2 of said Section 8, an unorthodox oil well location, and for a special project allowable. Said project is located approximately 5-1/2 miles north-northeast of Waterflow, New Mexico.

**CASE 10781:** (Reopened - Continued from September 23, 1993, Examiner Hearing.)

Application of Marathon Oil Company for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks approval of an unorthodox well location in the Basin-Fruitland Coal Gas Pool for its proposed Schwerdtfeger Well No. 17-2 to be drilled at an unorthodox well location 1605 feet from the South line and 1135 feet from the East line (Unit D) of Section 17, Township 27 North, Range 11 West. Said well is to be dedicated to a 320-acre spacing unit consisting of the E/2 of Section 17. Said unit is located approximately 9 miles south of Bloomfield, New Mexico.

**CASE 10845:** Application of Phillips Petroleum Company for a unit agreement, Lea County, New Mexico. Applicant seeks approval of its Vacuum Glorieta East Unit Agreement for an area comprising 4,239.80 acres, more or less, of State lands in portions of Sections 26-34, Township 17 South, Range 35 East and in a portion of Section 5, Township 18 South, Range 35 East. Said unit is located approximately 10 miles southeast of Lovington, New Mexico.

**CASE 10846:** Application of Phillips Petroleum Company for approval of a waterflood project, and to qualify said project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Lea County, New Mexico. Applicant seeks authority to institute a waterflood project within its Vacuum Glorieta East Unit by the injection of water into the Glorieta and Paddock formations, Vacuum-Glorieta Pool, in an area comprising portions of Sections 26-34, Township 17 South, Range 35 East and a portion of Section 5, Township 18 South, Range 35 East, through 48 initial injection wells. The applicant further requests that the Division establish procedures for amending injection or producing well locations within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations. Applicant further seeks to qualify this project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 10 miles southeast of Lovington, New Mexico.

**CASE 10847:** Application of Mitchell Energy Corporation for an exception to Rule (2) of the Special Rules and Regulations for the North Osudo-Morrow Gas Pool to allow a second well on a proration unit, or in the alternative, to establish infill drilling procedures for said pool, Lea County, New Mexico. Applicant seeks an exception to Rule (2) of the Special Rules and Regulations for the North Osudo-Morrow Gas Pool, as promulgated by Division Order No. R-3305, to allow an existing 640-acre gas spacing and proration unit comprising Section 30, Township 20 South, Range 36 East, to be simultaneously dedicated to a proposed well to be drilled at a standard well location in the NE/4 SW/4 of Section 30 and to an existing well located in the NE/4 NE/4 of Section 30. In the alternative, applicant seeks to amend Rule (2) of the Special Rules and Regulations for said pool to provide that a second well may be drilled within a standard 640-acre spacing unit but on a governmental quarter section not containing the first well. The North Osudo-Morrow Gas Pool is located approximately 6 miles southwest of Monument, New Mexico.

**CASE 10848:** Application of Conoco Inc. and Marathon Oil Company for exceptions to Rule 5(b) of the special rules and regulations of the South Dagger Draw-Upper Pennsylvanian Pool as promulgated by Division Order No. R-5353, as amended, or in the alternative, for the creation of a new pool with the adoption of special rules for said pool, Eddy County, New Mexico. Applicants seek exceptions to Rule 5(b) of the Special Rules and Regulations for the South Dagger Draw-Upper Pennsylvanian Pool as promulgated by Order No. R-5353 as amended, thereby authorizing simultaneous dedication of acreage to both gas wells and oil wells within Sections 34, 35, and 36, Township 20 South, Range 24 East and Sections 34, 35, and 36, Township 20-1/2 South, Range 23 East. In the alternative, applicants seek the contraction of the South Dagger Draw-Upper Pennsylvanian Pool and the concomitant creation of a new pool comprising the above-described acreage with the adoption of special rules and regulations including those set forth in Order No. R-5353 but modified to allow simultaneous dedication of spacing units to multiple gas and oil wells and establishment of appropriate allowables therefor. Said area is located approximately 22 miles southeast of Hope, New Mexico.