

CASE 9512: (Continued from October 26, 1988, Examiner Hearing.)

Application of ARCO Oil and Gas Company to reinstate Division Order No. R-4984, simultaneous dedication and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to reinstate Division Order No. R-4984 which authorized the standard 640-acre gas spacing and proration unit in the Jalmat Gas Pool, consisting of Section 14, Township 22 South, Range 36 East, to be simultaneously dedicated to the McDonald "WN" State Wells No. 11 and 17 (Well No. 27 being at an unorthodox gas well location) located in Units D and O, respectively. Applicant further seeks the addition of the McDonald "WN" State Wells No. 28 (authorized by the Division Director by letter dated June 18, 1976) and 31 located in Units F and A, respectively, of said Section 14, said Well No. 31 being at an unorthodox gas well location 660 feet from the North and East lines of said Section 14. Said unit is located approximately 7 miles southwest by west of Eunice, New Mexico.

CASE 9524: Application of Amerind Oil Company for directional drilling and unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its State MTS Well No. 1 located at a standard surface location 1830 feet from the South line and 660 feet from the East line (Unit 1) of Section 2, Township 17 South, Range 37 East, wherein the applicant proposes to directionally drill said well to penetrate the Strawn formation, Undesignated Shipp-Strawn Pool or Undesignated Humble City-Strawn Pool, at an unorthodox bottomhole location 2310 feet from the South line and 330 feet from the East line (Unit 1) of said Section 2. The E/2 SE/4 of said Section 2 is to be dedicated to the subject well. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill the State MTS Well No. 1-A at an unorthodox surface location 2310 feet from the South line and 330 feet from the East line (Unit 1) of said Section 2 to test the Strawn formation. This area is located approximately 4 miles North of Humble City, New Mexico.

CASE 9525: Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-6469, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-6469, as amended, to rescind approval for those non-standard proration units approved therein located in Township 24 North, Range 1 West and Township 26 North, Range 1 West. The center of said area is located approximately 13 miles southwest of Regina, New Mexico.

CASE 9526: Application of Unocal Corporation for reinstatement of allowable under Rule 11 (h) of Division Order No. R-8170, as amended, Rio Arriba and San Juan Counties, New Mexico. Applicant, in the above-styled cause, seeks the reinstatement of gas allowable for 10 wells in the Basin-Dakota Pool, 10 wells in the Blanco-Mesaverde Pool and 26 wells in the South Blanco-Pictured Cliffs Pool which allowable was cancelled in the May 1988 proration schedule under the provisions of Rules 10(a) or 13(b) of said Order No. R-8170, and resulted from non-access or limited access to the average market demand for the respective pools.

CASE 9501: (Continued from October 26, 1988, Examiner Hearing.)

Application of Mobil Producing Texas and New Mexico Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying all of Section 28, Township 24 North, Range 1 West, forming a 640-acre spacing and proration unit for the West Puerto Chiquito-Mancos Oil Pool or other pools having 640-acre spacing; the E/2 of said section for the Basin-Dakota Pool or any other pools having 320-acre spacing, or the SW/4 NE/4 of said section for pools and/or formations having 40-acre spacing. Said unit is to be dedicated to a well to be drilled at a standard location in 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 units are located approximately 6 1/4 miles north of Regina, New Mexico.

CASE 9488: (Continued from October 26, 1988, Examiner Hearing.)

Application of BHP Petroleum Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation or to a depth of 8100 feet, whichever is deeper, underlying Section 28, Township 24 North, Range 1 West, forming a 640-acre spacing and proration unit for the West Puerto Chiquito Mancos-Oil Pool or other pools having 640-acre spacing; the E/2 of said section for pools having 320-acre spacing, or the SW/4 NE/4 of said section for pools having 40-acre spacing. Said unit is to be dedicated to a well to be drilled at a standard location in said Section 34. 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 units are located approximately 6 1/4 miles north of Regina, New Mexico.

ILLEGIBLE

Dockets Nos. 35-88 and 36-88 are tentatively set for November 22 and December 7, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 9, 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 David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for December, 1988, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for December, 1988, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.
- CASE 9518: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Winter Queen State Unit Area comprising 2,085.55 acres, more or less, of State lands underlying all of Sections 3 and 10, and portions of Sections 4 and 9 in Township 12 South, Range 32 East. Said unit is located approximately 5.5 miles South of Caprock, New Mexico.
- CASE 9519: Application of M. Brad Bennett, Inc. 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 South and East lines (Unit P) of Section 6, Township 16 South, Range 34 East, to test the Pennsylvanian formation, Hume-Atoka Gas Pool and Hume-Morrow Gas Pool, the S/2 of said Section 6 to be dedicated to the well. Said location is approximately 11 miles Northwest of Buckeye, New Mexico.
- CASE 9520: Application of Exxon 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 Morrow formation underlying the W/2 of Section 32, Township 20 South, Range 33 East, forming a standard 320-acre spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 320-acre spacing, said unit 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 area is located approximately 2 miles South of Laguna Gatuna Salt Lake.
- CASE 9521: Application of Keith McKamey 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 or to a depth of 11,200 feet, whichever is shallower, (which includes but is not necessarily limited to the Undesignated Gem-Wolfcamp Pool, Undesignated East Lusk-Bone Spring Pool, East Lusk-Delaware Pool, and Undesignated South Tonto-Yates-Seven Rivers Pool) underlying the NW/4 SW/4 of Section 25, Township 19 South, Range 32 East, forming a standard 40-acre oil spacing and proration unit, to be dedicated to the existing Grace Petroleum Corporation West Tonto "A" Federal Com Well No. 1-Y, to be re-entered by the applicant and located at a previously approved unorthodox oil well location (Administrative Order No. NSI-1442) 2450 feet from the South line and 660 feet from the West line (Unit L) of said Section 25. 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 miles Northwest of Laguna Gatuna Salt Lake.
- CASE 9522: Application of Pennzoil Exploration and Production Company for the amendment of Division Order No. R-8716, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-8716, which order authorized an unorthodox oil well location 2310 feet from the South line and 810 feet from the West line (Unit L) of Section 1, Township 17 South, Range 37 East. Applicant now seeks to substitute therefor an unorthodox oil well location 900 feet from the South line and 1750 feet from the West line of said Section 1, Undesignated Shipp-Strawn Pool, with the S/2 SW/4 of said Section 1 being dedicated to its Price Family Trust Well No. 2, forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 4.5 miles North by East of Humble City, New Mexico.
- CASE 9523: Application of OGS Operating Company, Inc. 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 Morrow formation underlying the N/2 of Section 5, Township 24 South, Range 25 East, forming a standard 319.62-acre, more or less, gas spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 320-acre gas well spacing, said unit to be dedicated to a well to be drilled at a standard gas well location 990 feet from the North line and 1980 feet from the West line (Unit C) of said Section 5. 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 miles Northwest of Whites City, New Mexico.

CASE 9476: (Continued from September 28, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos Oil Pool underlying all of Section 3, Township 26 North, Range 2 West, to form a 636.80-acre, more or less, standard oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location in the SW/4 NW/4 (Unit E) of said Section 3. 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 14 miles north of Lindrith, New Mexico.

CASE 9435: (Reopened and Readvertised)

Application of Union Oil Company of California d/b/a Unocal for a non-standard gas proration unit and unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location in the Undesignated House Yates-Seven Rivers Gas Pool for a well to be drilled in Lot 1 at a point 600 feet from the North line of Irregular Section 5, Township 20 South, Range 39 East, and 330 feet East of the western boundary of Lot 1 in said Section 5, said well to be dedicated to Lots 1 and 4 of said Section 5 thereby forming a 58.72-acre non-standard gas proration and spacing unit for said pool. Said location is approximately 3.75 miles S 73° E of Nadine, New Mexico.

CASE 9490: (Continued from September 28, 1988, Examiner Hearing.)

Application of Texaco Producing Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in any and all formations to the base of the Strawn formation underlying the E/2 of Section 17, Township 25 South, Range 36 East, forming a standard 320-acre spacing and proration unit for any and all formations developed on 320-acre spacing. Said unit is to be dedicated to its West Jal B Deep Well No. 1 located at a standard location 1980 feet from the North line and 660 feet from the East line of said Section 17. 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 5½ miles west by north of Jal, New Mexico.

CASE 9512: Application of ARCO Oil and Gas Company to reinstate Division Order No. R-4984, simultaneous dedication and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to reinstate Division Order No. R-4984 which authorized the standard 640-acre gas spacing and proration unit in the Jalmat Gas Pool, consisting of Section 14, Township 22 South, Range 36 East, to be simultaneously dedicated to the McDonald "WN" State Wells No. 11 and 27 (Well No. 27 being at an unorthodox gas well location) located in Units D and O, respectively. Applicant further seeks the addition of the McDonald "WN" State Wells No. 28 (authorized by the Division Director by letter dated June 18, 1976) and 31 located in Units F and A, respectively, of said Section 14, said Well No. 31 being at an unorthodox gas well location 660 feet from the North and East lines of said Section 14. Said unit is located approximately 7 miles southwest by west of Eunice, New Mexico.

CASE 9513: Application of Nearburg Producing Company for directionally drilling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to reenter the Texas International Petroleum Corp. Byers Well No. 1 located 660 feet from the South and West lines (Unit M) of Section 12, Township 17 South, Range 37 East, wherein the applicant proposes to deviate from vertical at a depth of approximately 7000 feet and bottom said wellbore in the Strawn formation at a subsurface unorthodox oil well location 330 feet from the South line and 990 feet from the West line of said Section 12. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill a well at an unorthodox oil well location 330 feet from the South line and 990 feet from the West line (Unit M) of Section 12. In either case, the S/2 SW/4 of said Section 12 is to be dedicated to the appropriate well forming a standard 80-acre oil spacing and proration unit for either the Undesignated Humble City-Strawn Pool or South Humble City-Strawn Pool. The proposed unit is located approximately 4.75 miles west of Knowles, New Mexico.

CASE 9514: Application of OXY USA, 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 Wolfcamp formation underlying the SE/4 SE/4 (Unit P) of Section 29, Township 19 South, Range 36 East, to form a standard 40-acre oil spacing and proration unit for any and all pools or formations developed on statewide 40-acre spacing (which includes but is not necessarily limited to the Undesignated East Pearl-Queen Pool, Undesignated Eunice Monument-Grayburg-San Andres Pool, and an oil well in the Undesignated Eumont Gas Pool), 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 miles west of Monument, New Mexico.

Dockets Nos. 33-88 and 34-88 are tentatively set for November 9 and November 22, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 26, 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 9510: 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 for its New Deal "AFD" Federal Well No. 1 located 1980 feet from the North line and 760 feet from the East line (Unit H) of Section 6, Township 18 South, Range 25 East, to test all formations and/or pools from the top of the Wolfcamp formation to the base of the Mississippian formation (which includes but is not necessarily limited to the Eagle Creek Permo-Pennsylvanian Gas Pool, Undesignated Eagle Creek-Strawn Gas Pool and the Undesignated Richard Knob Atoka-Morrow Gas Pool), Lots 1, 2, 3, 4, and 5, the SE/4 NW/4, and the S/2 NE/4 of said Section 6 to be dedicated to said well forming a standard 324.66-acre gas spacing and proration unit. Said well is located approximately 10 miles southwest by west of Artesia, New Mexico.

CASE 9413: (Continued from September 28, 1988, Examiner Hearing.)

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 9497: (Continued from October 12, 1988, Examiner Hearing.)

Application of Corinne B. Grace for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bell Canyon and Upper Cherry Canyon formations of the East Ross Draw-Delaware Pool in the perforated interval from approximately 3886 feet to 4990 feet in its Zac Federal Well No. 1 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 25, Township 26 South, Range 30 East. Said well is located approximately 1/4 mile north-northwest of Monument No. 45 on the Texas/New Mexico stateline.

CASE 9511: Application of Phillips Petroleum Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the South Peterson-Fusselman Pool and Montoya formation in the perforated interval from approximately 7892 feet to 7944 feet in its Lambirth "A" Well No. 6 located 1830 feet from the South line and 1980 feet from the East line (Unit J) of Section 30, Township 5 South, Range 33 East, which is located 10.5 miles west of Pep, New Mexico.

CASE 9391: In the matter of Case 9391 being reopened upon the application of Foran Oil Company in order to add the Home-Stake Royalty Corporation and the Home-Stake Oil and Gas Company to Division Order No. R-8674, which is the order resulting from said Case 9391 providing for the compulsory pooling of all mineral interests in the Strawn formation underlying the E/2 SE/4 of Section 7, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool. Said unit is located approximately 4 miles east by south of the junction of U.S. Highway 82 and New Mexico State 18 in Lovington, New Mexico.

CASE 9491: (Readvertised)

Application of Foran Oil Company for simultaneous dedication, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to simultaneously dedicate a standard 320-acre gas spacing and proration unit in the Diamond Mound Atoka-Morrow Gas Pool consisting of the W/2 of Section 36, Township 15 South, Range 27 East, to the existing State "ET" Well No. 1 located at a standard gas well location 990 feet from the North line and 1650 feet from the West line (Unit C) of said Section 36 and to a second well to be drilled at a standard gas well location in the SW/4 of said Section 36. Said unit is located approximately 14 miles east-northeast of Artesia, New Mexico.

CASE 9475: (Continued from September 28, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos Oil Pool underlying all of Section 2, Township 26 North, Range 2 West, to form a 638.28-acre, more or less, standard oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location in Lot 3 of said Section 2. 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 14 miles north of Lindrith, New Mexico.