

Dockets Nos. 19-90 and 20-90 are tentatively set for July 11, 1990 and July 25, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 27, 1990**

**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:

**CASE 9968:** Application of Mobil Exploration Producing U.S. Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Siluro-Devonian formations 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, South Vacuum-Devonian Pool, which is approximately 2 miles northwest by west of the junction of New Mexico State Highway Nos. 8 and 529.

**CASE 9969:** Application of Hixon Development Company for downhole commingling and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authorization to commingle oil production from the Undesignated Gavilan-Mancos Oil and Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pool within the wellbore of its Evans Well No. 1 located 790 feet from the North and West lines (Unit D) of Section 5, Township 24 North, Range 2 West. Applicant further seeks approval for a 326.44-acre non-standard oil proration unit for both pools comprising Lots 3 and 4, the S/2 NW/4, and SW/4 (W/2 equivalent) of said Section 5. Said well is located approximately 3 miles northwest by north of Lindrith, New Mexico.

**CASE 9961:** (Continued from June 13, 1990, Examiner Hearing.)

Application of Mewbourne Oil Company 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 E/2 of Section 18, Township 17 South, Range 27 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 Undesignated Logan Draw-Cisco Canyon Gas Pool, Undesignated Riverside-Atoka Gas Pool, and Undesignated Logan Draw-Morrow Gas Pool. Said unit is to be dedicated to a single 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 1 mile east of Riverside, New Mexico.

**CASE 9924:** (Continued from June 13, 1990, Examiner Hearing.)

Application of Strata Production Company to amend Division Order No. R-9097, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9097, which authorized a horizontal directional drilling pilot project in the SE/4 of Section 18, Township 26 South, Range 25 East, being a standard 160-acre gas spacing and proration unit in the Bone Spring formation by expanding the prescribed area limiting the horizontal displacement of the proposed wellbore such that any portion thereof can be no closer than 330 feet from the North line, nor closer than 660 feet from the East and West lines, nor closer than 460 feet from the South line of said 160-acre tract. Said location is approximately 2.5 miles east of Mile Post No. 6 on U.S. Highway 62/180.

**CASE 9970:** Application of Pacific Enterprises Oil Company (USA) 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 following described acreage in Section 16, Township 17 South, Range 31 East, and in the following manner: the E/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 Fren-Pennsylvanian Gas Pool); the SE/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; and the NW/4 SE/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 Fren-Seven Rivers Pool, Grayburg-Jackson Seven Rivers-Queen-Grayburg-San Andres Pool, and Undesignated Fren-Paddock Pool). Said units are to be dedicated to a single well to be drilled at a standard location in the NW/4 SE/4 (Unit J) of said Section 16. 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 1.5 miles north of the junction of U.S. Highway 82 and New Mexico State Highway 529.

**CASE 9971:** Application of Conoco, Inc. for two salt water disposal wells, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in its Southeast Monument Unit Wells Nos. 99 and 101, located 1980 feet from the North line and 1650 feet from the West line (Unit F) and 660 feet from the North line and 330 feet from the West line (Unit D), respectively, of Section 29, Township 20 South, Range 38 East, Eunice-Monument Pool. Both wells are located approximately 7.25 miles north of Eunice, New Mexico.

CASE 9953: (Continued from June 13, 1990, Examiner Hearing.)

Application of Oryx Energy 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 following described acreage in Section 24, Township 17 South, Range 35 East, and in the following described 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 South Shoe Bar-Atoka Gas Pool); the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within said vertical extent; and the SE/4 NW/4 to form standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing (which presently includes but is not necessarily limited to the Undesignated Vacuum-Abo Reef Pool, the Vacuum Grayburg-San Andres Pool, and the Undesignated Vacuum-Glorieta Pool). Said units are to be dedicated to a single well to be drilled at a standard location in the SE/4 NW/4 (Unit F) of said Section 24. Also to be considered will be the cost 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. This area is located approximately 5.5 miles east by north of Buckeye, New Mexico.

CASE 9972: Application of Gary L. Bennett for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Cavalcade Federal "21" Lease comprising the E/2 SW/4 and SE/4 of Section 21, Township 18 South, Range 32 East, by the injection of water into the Querecho Plains-Queen Associated Pool through the perforated interval from approximately 4088 feet to 4130 feet in its Well No. 4 located 400 feet from the South line and 660 feet from the East line (Unit P) of said Section 21. Said area is located approximately 8.75 miles south of Maljamar, New Mexico.

CASE 9973: Application of Manzano Oil Corporation for compulsory pooling and an unorthodox gas well location, 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 following described acreage in Section 14, Township 19 South, Range 33 East, and in the following described manner: the E/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 Tonto-Atoka Gas Pool, Undesignated Quail Ridge-Morrow Gas Pool, Undesignated North Quail Ridge-Morrow Gas Pool, and Undesignated East Gem-Morrow Gas 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. Said units are to be dedicated to a single well to be drilled at an unorthodox gas well location 1980 feet from the North line and 2310 feet from the East line (Unit G) of said Section 14. 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 7 miles southwest by west of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 9950: (Continued from May 30, 1990, 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 the top of the Wolfcamp to the base of the Morrow formation underlying the E/2 of Section 17, Township 18 South, Range 31 East, forming a standard 320-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 North Shugart-Atoka Gas Pool and the Undesignated North Shugart-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 5 miles south of the junction of U.S. Highway 82 and State Highway No. 3/South.

CASE 9974: Application of Meridian Oil, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling certain record title owners of a federal oil and gas lease in the Basin-Fruitland Coal (Gas) Pool underlying the S/2 equivalent of Section 35, Township 31 North, Range 4 West, forming a standard 320-acre, more or less, gas spacing and proration unit for said pool, to be dedicated to the Chicosa Canyon Well No. 1 located at a standard coal gas well location 830 feet from the South line and 1100 feet from the West line (Unit M) of said Section 35, which is located approximately 10.25 miles south of Mile Corner No. 230 on the New Mexico/Colorado stateline. Also to be considered will be the designation of applicant as operator of the well and unit.

CASE 9975: Application of Meridian Oil, Inc. for fourteen non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to establish fourteen non-standard gas spacing and proration units for Basin-Fruitland Coal Gas Pool production in Sections 7 through 12, 18, 19, 30 and 31, Township 32 North, Range 9 West; Sections 6 and 18, Township 31 North, Range 9 West; and Sections 11 and 12, Township 32 North, Range 10 West. This area includes those partial Sections along the New Mexico/Colorado Stateline which extend 9 miles east from the Animas River and includes the western portions of those partial western most Sections in Townships 31 and 32 North, Range 9 West, which extend south for approximately 8 miles from Mile Corner No. 263 located on the stateline.

CASE 9976: Application of Southland Royalty Company for two non-standard gas proration units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard gas spacing and proration units for Basin-Fruitland Coal Gas Pool production in portions of Sections 23 and 24, Township 31 North, Range 12 West. Said area is located 6 miles north by east of Flora Vista, New Mexico.

**DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 13, 1990**

**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:


- ALLOWABLE:** (1) Consideration of the allowable production of gas for July, 1990, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for July, 1990, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

**CASE 9937:** (Continued from May 30, 1990, Examiner Hearing.)

Application of Exxon Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Laguna Salado South Unit Agreement for an area comprising 7040 acres, more or less, of State, Federal and Fee lands in all or portions of Sections 10, 15, 16, 21, 22, 23, 26, 27, 28, 33, 34 and 35, Township 23 South, Range 29 East. This area is located approximately 7 miles east of Loving, New Mexico.

**CASE 9957:** Application of C. W. Trainer 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 Undesignated Gladiola-Devonian Pool underlying the NW/4 SE/4 of Section 31, Township 11 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to the plugged and abandoned Ralph Lowe Wallace Well No. 2 to be re-entered and recompleted at a standard oil well location 1650 feet from the South and East lines (Unit J) on said Section 31. Also to be considered will be the cost of re-entering and recompleting 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 the re-entering and recompletion of said well. Said unit is located approximately 5.25 miles northeast by north of Gladiola, New Mexico.

**CASE 9958:** Application of BWA Oil & Gas for an unorthodox gas well location and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Pitchfork Ranch-Atoka Gas Pool and the Undesignated Pitchfork Ranch-Morrow Gas Pool underlying the E/2 of Section 34, Township 24 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for both pools, to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of 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 unit is located approximately 3 miles west-southwest of the Junction of Old State Highway No. 128 and County Road No. 2.

 (Continued from May 30, 1990, Examiner Hearing.)

Application of Strata Production Company to amend Division Order No. R-9097, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9097, which authorized a horizontal directional drilling pilot project in the SE/4 of Section 18, Township 26 South, Range 25 East, being a standard 160-acre gas spacing and proration unit in the Bone Spring formation by expanding the prescribed area limiting the horizontal displacement of the proposed wellbore such that any portion thereof can be no closer than 330 feet from the North line, nor closer than 660 feet from the East and West lines, nor closer than 460 feet from the South line of said 160-acre tract. Said location is approximately 2.5 miles east of Mile Post No. 6 on U.S. Highway 62/180.

**CASE 9939:** (Continued from May 30, 1990, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling and a non-standard gas proration unit, 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 Lots 4 through 7 and the NW/4 (W/2 equivalent) of Irregular Section 12, Township 22 South, Range 25 East, forming a non-standard 332.74-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 Undesignated Catclaw Draw-Wolfcamp Gas Pool, Undesignated McKittrick Canyon-Upper Pennsylvanian Gas Pool, Undesignated Hackberry Hills-Canyon Gas Pool, Undesignated Happy Valley-Morrow Gas Pool and/or the Revelation-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 12. 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 west by south of Carlsbad, New Mexico.

**CASE 9959:** Application of Bird Creek Resources, 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 Delaware formation underlying the SE/4 SE/4 of Section 15, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing within said vertical extent, which includes but is not necessarily limited to the Undesignated Loving-Cherry Canyon Pool and Undesignated East Loving-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 miles east-northeast of Loving, New Mexico.

CASE 9960: Application of Bird Creek Resources, 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 Delaware formation underlying the NW/4 NE/4 of Section 15, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing within said vertical extent, which includes but is not necessarily limited to the Undesignated Loving-Cherry Canyon Pool, Undesignated East Loving-Delaware Pool and Undesignated South Loving-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 miles east-northeast of Loving, New Mexico.

CASE 9961: Application of Mewbourne Oil Company 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 E/2 of Section 18, Township 17 South, Range 27 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 Undesignated Logan Draw-Cisco Canyon Gas Pool, Undesignated Riverside-Atoka Gas Pool, and Undesignated Logan Draw-Morrow Gas Pool. Said unit is to be dedicated to a single 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 1 mile east of Riverside, New Mexico.

CASE 9962: Application of Stevens & Tull, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval for the downhole commingling of Abo, Drinkard, Tubb and Blinebry production in the wellbore of all existing wells and all wells subsequently drilled on its Carter "23" Prospect acreage, which includes the N/2 SE/4 of Section 25, Township 20 South, Range 38 East. Said area is located approximately 4.75 miles south by east of Nadine, New Mexico.

CASE 9963: Application of Stevens & Tull, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval for the downhole commingling of Abo, Drinkard, Tubb and Blinebry production in the wellbore of all existing wells and all wells subsequently drilled on its DK Lease, which includes the E/2 of Section 25, Township 20 South, Range 38 East. Said area is located approximately 6 miles south by east of Nadine, New Mexico.

CASE 9931: (Readvertised)

Application of Arco Oil & Gas Company for pressure maintenance expansion and an unorthodox gas injection well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Empire-Abo Unit Pressure Maintenance Project, authorized by Division Order No. R-4549, as amended, by converting its Empire Abo Unit "J" Well No. 10, located 2310 feet from the North and West lines (Unit F) of Section 3 and Empire Abo Unit "J" Well No. 13, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 2, both in Township 18 South, Range 27 East, Empire-Abo Pool, Empire Abo Unit Area, from producing oil wells to gas injection wells. Applicant further seeks an exception to Rule 7A of the Special Rules and Regulations for the Empire-Abo Unit Pressure Maintenance Project, as promulgated by said Order No. R-4549, as amended, for the "J" Well No. 13 which is located at an unorthodox gas injection well location. Both wells are located in an area approximately 4.25 miles south-southeast of Riverside, New Mexico.

CASE 9930: (Continued from May 16, 1990, Examiner Hearing.)

Application of Union Oil Company of California to amend Division Order No. R-6375, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6375, as amended, which authorized downhole commingling of Basin-Dakota and Largo-Gallup production within the Rincon Unit Well No. 164 located 1840 feet from the South line and 1090 feet from the West line (Unit L) of Section 2, Township 26 North, Range 7 West, by reviewing and re-establishing, if necessary, the allocation of production that was set forth by the provisions of said order. The subject well is located approximately 2 miles north-northeast of the El Paso Natural Gas Company Largo Station.

CASE 9964: Application of Yates Petroleum Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its existing Lusk "AHB" Federal Well No. 1 located 800 feet from the North line and 1650 feet from the East line (Unit B) of Section 35, Township 19 South, Range 32 East, for either the Undesignated Gem-Morrow Gas Pool or the Undesignated East Lusk-Morrow Gas Pool, the N/2 of said Section 35 to be dedicated to the well to form a standard 320-acre gas spacing and proration unit for either pool. Said unit is located approximately 4.5 miles north of the old site of the "Halfway Bar".

CASE 9953: (Continued from May 30, 1990, Examiner Hearing.)

Application of Oryx Energy 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 following described acreage in Section 24, Township 17 South, Range 35 East, and in the following described 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 South Shoe Bar-Atoka Gas Pool); the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within said vertical extent; and the SE/4 NW/4 to form standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing (which presently includes but is not necessarily limited to the Undesignated Vacuum-Abo Reef Pool, the Vacuum Grayburg-San Andres Pool, and the Undesignated Vacuum-Glorieta Pool). Said units are to be dedicated to a single well to be drilled at a standard location in the SE/4 NW/4 (Unit F) of said Section 24. Also to be considered will be the cost 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. This area is located approximately 5.5 miles east by north of Buckeye, New Mexico.

Dockets Nos. 15-90 and 16-90 are tentatively set for May 30, 1990 and June 13, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 16, 1990**

**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:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for June, 1990, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for June, 1990, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

**CASE 9937:** Application of Exxon Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Laguna Salado South Unit Agreement for an area comprising 7040 acres, more or less, of State, Federal and Fee lands in all or portions of Sections 10, 15, 16, 21, 22, 23, 26, 27, 28, 33, 34 and 35, Township 23 South, Range 29 East. This area is located approximately 7 miles east of Loving, New Mexico.

**CASE 9924:** (Continued from May 2, 1990, Examiner Hearing.)

Application of Strata Production Company to amend Division Order No. R-9097, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9097, which authorized a horizontal directional drilling pilot project in the SE/4 of Section 18, Township 26 South, Range 25 East, being a standard 160-acre gas spacing and proration unit in the Bone Spring formation by expanding the prescribed area limiting the horizontal displacement of the proposed wellbore such that any portion thereof can be no closer than 330 feet from the North line, nor closer than 660 feet from the East and West lines, nor closer than 460 feet from the South line of said 160-acre tract. Said location is approximately 2.5 miles east of Mile Post No. 6 on U.S. Highway 62/180.

**CASE 9918:** (Continued from May 2, 1990, Examiner Hearing.)

Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, the S/2 NE/4 and the SE/4 (E/2 equivalent) of Section 2, Township 29 North, Range 9 West, forming a standard 320.60-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 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 1.5 miles east of Turley, New Mexico.

**CASE 9919:** (Continued from May 2, 1990, Examiner Hearing.)

Application of Mesa Operating Limited Partnership for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1, 2, 7, 8, 9, 10, 15 and 16 (E/2 equivalent) of Section 33, Township 30 North, Range 10 West, forming a standard 317.04-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 4.5 miles northwest of Blanco, New Mexico.

**CASE 9938:** Application of Petroleum Production Management, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NE/4 of Section 14, Township 9 South, Range 34 East, forming a standard 160-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the existing (M&G Oil, Inc.) Mounsey Well No. 1, located at a standard oil well location, 660 feet from the North line and 1980 feet from the East line (Unit B), which is currently temporarily abandoned in said pool. Also to be considered will be the cost of re-entering and/or recompleting 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 re-entering and/or recompleting said well. Said unit is located approximately 5.5 miles west-northwest of Crossroads, New Mexico.

**CASE 9927:** (Continued from May 2, 1990, Examiner Hearing.)

Application of Pacific Enterprises Oil Company (USA) for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Strawn formation to the base of the Morrow formation underlying the E/2 of Section 32, Township 22 South, Range 27 East, forming a standard 320-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 South Carlsbad-Strawn Gas Pool, Undesignated South Carlsbad-Atoka Gas Pool, and South Carlsbad-Morrow Gas Pool). Said unit is to be dedicated to the existing Mary L. Knobel Well No. 1, located at a standard gas well location 1980 feet from the South and East lines (Unit J), which is presently temporarily abandoned in the South Carlsbad-Morrow Gas Pool. Also to be considered will be the cost of re-entering and/or recompleting 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 re-entering and/or recompleting said well. Said unit is located approximately 2 miles west of Otis, New Mexico.

CASE 9923: (Continued from May 2, 1990, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L. P. for surface commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 309-A for the surface commingling of North Young-Bone Spring Pool production into a common tank battery from its Sharp Shooter "2" State Well Nos. 1, 2, and 3 located in Units I, H, and J, respectively, of Section 2, Township 18 South, Range 32 East. Said wells are located in an area approximately 5.5 miles south-southeast of Maljamar, New Mexico.

CASE 9939: Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying Lots 4 through 7 and the SE/4 (S/2 equivalent) of Irregular Section 12, Township 22 South, Range 25 East, forming a non-standard 332.74-acre gas spacing and proration unit for either the Undesignated Revelation-Morrow Gas Pool or the Undesignated Happy 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 7 miles west by south of Carlsbad, New Mexico.

CASE 9931: (Continued from May 2, 1990, Examiner Hearing.)

Application of Arco Oil & Gas Company for pressure maintenance expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Empire-Abo Unit Pressure Maintenance Project, authorized by Division Order No. R-4549, as amended, by converting its Empire Abo Unit "J" Well No. 10, located 2310 feet from the North and West lines (Unit F) of Section 3 and Empire Abo Unit "J" Well No. 13, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 2, both in Township 18 South, Range 27 East, Empire-Abo Pool, Empire Abo Unit Area, from producing oil wells to gas injection wells. Both wells are located in an area approximately 4.25 miles south-southeast of Riverside, New Mexico.

CASE 9940: Application of Osborn Heirs 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 San Andres formation underlying the NW/4 NE/4 (Unit B) of Section 20, Township 17 South, Range 37 East, forming a standard 40-acre 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 Midway-San Andres Pool, said unit 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 northwest by west of Humble City, New Mexico.

CASE 9941: Application of Osborn Heirs 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 San Andres formation underlying the NE/4 NW/4 (Unit C) of Section 20, Township 17 South, Range 37 East, forming a standard 40-acre 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 Midway-San Andres Pool, said unit 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 west-northwest of Humble City, New Mexico.

CASE 9942: Application of Osborn Heirs 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 San Andres formation underlying the NW/4 NW/4 (Unit D) of Section 20, Township 17 South, Range 37 East, forming a standard 40-acre 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 Midway-San Andres Pool, said unit 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 west-northwest of Humble City, New Mexico.

CASE 9943: Application of Osborn Heirs 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 San Andres formation underlying the SE/4 NW/4 (Unit F) of Section 20, Township 17 South, Range 37 East, forming a standard 40-acre 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 Midway-San Andres Pool, said unit 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 west-northwest of Humble City, New Mexico.

Dockets Nos. 13-90 and 14-90 are tentatively set for May 16, 1990 and May 30, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 2, 1990  
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:

CASE 9922: Application of Heafitz Energy Management Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to commingle gas production from the Arena Roja-Pennsylvanian Gas Pool and the Silurian formation within the wellbore of the Falcon Engineering Company Inc. Mexico "P" Federal Well No. 1 located 1980 feet from the North and West lines (Unit F) of Section 21, Township 26 South, Range 35 East. Said well is located approximately 12 miles west-southwest of Jal, New Mexico.

CASE 9923: Application of Santa Fe Energy Operating Partners, L. P. for surface commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 309-A for the surface commingling of North Young-Bone Spring Pool production into a common tank battery from its Sharp Shooter "2" State Well Nos. 1, 2, and 3 located in Units I, H, and J, respectively, of Section 2, Township 18 South, Range 32 East. Said wells are located in an area approximately 5.5 miles south-southeast of Maljamar, New Mexico.

Application of Strata Production Company to amend Division Order No. R-9097, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9097, which authorized a horizontal directional drilling pilot project in the SE/4 of Section 18, Township 26 South, Range 25 East, being a standard 160-acre gas spacing and proration unit in the Bone Spring formation by expanding the prescribed area limiting the horizontal displacement of the proposed wellbore such that any portion thereof can be no closer than 330 feet from the North line, nor closer than 660 feet from the East and West lines, nor closer than 460 feet from the South line of said 160-acre tract. Said location is approximately 2.5 miles east of Mile Post No. 6 on U.S. Highway 62/180.

CASE 9925: Application of Siete Oil & Gas Corporation for a waterflood project, Eddy and Lea Counties, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a cooperative lease waterflood project in the Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool by the injection of water into said pool through selected perforated intervals from approximately 3768 feet to 4310 feet in three certain existing wells located on the applicant's Conoco Federal, Inca Federal, ARCO Federal, and Geronimo Federal Leases, located in portions of Sections 18 and 19, Township 18 South, Range 32 East, Lea County, and Section 24, Township 18 South, Range 31 East, Eddy County. Said cooperative area is located in an area approximately 8.5 miles south-southwest of Maljamar, New Mexico.

CASE 9926: Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, 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 following described acreage in Section 21, Township 18 South, Range 27 East, and in the following described manner: the N/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 Red Lake-Pennsylvanian Gas Pool, Undesignated Red Lake Atoka-Morrow Gas Pool, and Undesignated Scoggin Draw-Morrow Gas Pool); the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within said vertical extent; and the NE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing (which presently includes but is not necessarily limited to the Undesignated Artesia Queen-Grayburg-San Andres Pool, Undesignated East Dayton-Grayburg Pool and Undesignated Empire-Abo Pool). Said units are to be dedicated to a single well to be drilled at a location 660 feet from the North and East lines (Unit A) of said Section 21, being a standard location for zones spaced on 40 and 160 acres and unorthodox for zones spaced on 320 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 6.5 miles south by east of Riverside, New Mexico.

CASE 9927: Application of Pacific Enterprises Oil Company (USA) for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Strawn formation to the base of the Morrow formation underlying the E/2 of Section 32, Township 22 South, Range 27 East, forming a standard 320-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 South Carlsbad-Strawn Gas Pool, Undesignated South Carlsbad-Atoka Gas Pool, and South Carlsbad-Morrow Gas Pool). Said unit is to be dedicated to the existing Mary L. Knobel Well No. 1, located at a standard gas well location 1980 feet from the South and East lines (Unit J), which is presently temporarily abandoned in the South Carlsbad-Morrow Gas Pool. Also to be considered will be the cost of re-entering and/or recompleting 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 re-entering and/or recompleting said well. Said unit is located approximately 2 miles west of Otis, New Mexico.

CASE 9439: (Reopened) (Continued from April 18, 1990, Examiner Hearing.)

In the matter of Case 9439 being reopened pursuant to the provisions of Division Order No. R-8770 which Order promulgated temporary special pool rules and regulations including a provision for 80-acre spacing and proration units, designated well locations, and a poolwide exception to Division Rule No. 111 allowing for directional drilling or well deviations of more than five degrees in any 500-foot interval in the Vada-Devonian Pool, Lea County, New Mexico. Operators in the subject pool may appear and show cause why the temporary rules for the Vada-Devonian Pool promulgated herein should not be rescinded.



CASE 9912: (Continued from April 18, 1990, Examiner Hearing.)

Application of Conoco Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 2310 feet from the North line and 660 feet from the West line (Unit E) of Section 35, Township 16 South, Range 37 East, to test either the Undesignated Casey-Strawn Pool or Undesignated Shipp-Strawn Pool, the S/2 NW/4 of said Section 35 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for either pool. Said unit is located approximately 5.75 miles north of Humble City, New Mexico.

CASE 9928: Application of Oryx Energy Company for two unorthodox gas well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two unorthodox gas well locations in Section 26, Township 22 South, Range 34 East, to test any and all formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation that is being developed on 320-acre spacing (which presently includes but is not necessarily limited to the Undesignated Ojo Chiso-Strawn Gas Pool, Undesignated Antelope Ridge-Atoka Gas Pool, Undesignated Antelope Ridge-Morrow Gas Pool, and the Undesignated Ojo Chiso-Morrow Gas Pool). The E/2 is to be dedicated to the existing Ojo Chiso Federal Well No. 2 located 990 feet from the South line and 2030 feet from the East line (Unit O) and the W/2 to be dedicated to the proposed Ojo Chiso Federal Well No. 3 to be drilled 990 feet from the South and West lines (Unit M). Said Section 26 is located approximately 4 miles north-northwest of the San Simon Sink.

CASE 9894: (Continued from April 4, 1990, Examiner Hearing.)

Application of Richmond Petroleum, Inc. for compulsory pooling, unorthodox coal gas well location, and a non-standard gas spacing and proration unit, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 through 4 and the S/2 N/2 of Irregular Section 11, Township 32 North, Range 6 West, forming a non-standard 232.80-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a non-standard coal gas well location 1130 feet from the North line and 760 feet from the West line (Unit E) of said Section 11. 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 bounded to the north by the State of Colorado for one-half mile of either side of Astronomical Monument No. 8 located on the Colorado/New Mexico stateline.

CASE 9895: (Continued from April 4, 1990, Examiner Hearing.)

Application of Richmond Petroleum, Inc. for compulsory pooling and an unorthodox coal gas well location, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the S/2 of Irregular Section 11, Township 32 North, Range 6 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a non-standard coal gas well location 1800 feet from the South line and 230 feet from the West line (Unit L) of said Section 11. 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 1/2 mile south of Astronomical Monument No. 8 located on the Colorado/New Mexico stateline.

CASE 9929: Application of Socorro Petroleum Company for a waterflood expansion and to amend Division Order R-2268 and Administrative Orders WFX-585 and WFX-587, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Keel-West Waterflood Project, authorized by Division Order Nos. R-2268, R-2268-A and R-2268-B, by converting its H.E. West "B" Well No. 24, located 660 feet from the North and East lines (Unit A) of Section 10, Township 17 South, Range 31 East, Grayburg-Jackson Pool, from a producing oil well to a water injection well with an increased injection pressure exceeding the Division's standard 0.2 psi/ft. limitation. Also, the applicant seeks authorization to increase the surface injection limitation pressure for 15 certain injection wells in the Keel-West Waterflood Project, as previously set in either Division Administrative Orders WFX-585, WFX-587, or Division Order No. R-2268 (supplemental) to comply with the 0.2 psi/ft. standard, to 450 psi above the formation parting pressure as determined from step-rate test taken within the Project Area which covers all of Sections 3 through 10 of said Township 17 South, Range 31 East. Said project area is located approximately 7 miles west of Maljamar, New Mexico.

CASE 9911: (Continued from April 18, 1990, Examiner Hearing.)

Application of Union Oil Company of California for a highly deviated directional drilling pilot project and unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a highly deviated directional drilling pilot project in the N/2 of Section 20, Township 27 North, Range 6 West, forming a standard 320-acre gas spacing unit in the Basin-Fruitland Coal Gas Pool by commencing its Rincon Unit Well No. 254 at a standard surface location 1581 feet from the North line and 1929 feet from the East line (Unit G) of said Section 20 and drilling to a true vertical depth of approximately 2250 feet and then commencing a medium radius curve in a westerly direction to encounter the top of the Basin-Fruitland Coal Gas Pool at a true vertical depth of approximately 2920 feet at which point the wellbore will be drilled to the base of the Basin-Fruitland Coal Gas Pool at a true vertical depth of approximately 3040 feet and then to a total depth at a true vertical depth of approximately 3100 feet with a terminus at an unorthodox bottomhole location in the NW/4 of Section 20; however, said wellbore will be no closer than 790 feet from the outer boundary of the spacing or proration unit. This unit is located approximately 10 miles south-southwest of Gobernador, New Mexico.

CASE 9930: (This case will be continued.)

Application of Union Oil Company of California to amend Division Order No. R-6375, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6375, as amended, which authorized downhole commingling of Basin-Dakota and Largo-Gallup production within the Rincon Unit Well No. 164 located 1840 feet from the South line and 1090 feet from the West line (Unit L) of Section 2, Township 26 North, Range 7 West, by reviewing and re-establishing, if necessary, the allocation of production that was set forth by the provisions of said order. The subject well is located approximately 2 miles north-northeast of the El Paso Natural Gas Company Largo Station.