

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 10, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 34-94 and 35-94 are tentatively set for December 1, 1994 and December 15, 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 11131: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Donald Sharratt, and all other interested parties to appear and show cause why the Baker "C" Well No. 1 (API No. 30-02510469) located 660 feet from the North and East lines (Unit A) of Section 26, Township 22 South, Range 37 East, Lea County, New Mexico (which is approximately 5 miles south southeast of Eunice, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program. Additionally, the Division seeks an order directing the operator to pay the costs of such plugging and if failing to do so, ordering a forfeiture of the plugging bond covering this well and authorizing the Director of the Division to make demand upon Norwest Bank New Mexico, formerly the United New Mexico Bank at Lea County, Hobbs, New Mexico to pay to the Division so much of the funds of the certificate of deposit given as collateral for said bond as is necessary to compensate the costs of plugging said well.

CASE 11080: (Continued from October 27, 1994, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 areas in Section 20, Township 23 South, Range 29 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, including the Laguna Salado-Atoka Gas Pool; and 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. Said unit is to be dedicated to its Harroun Trust 20 Fed. Com Well No. 1, to be drilled at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line of said Section 20. 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 5 miles east of Loving, New Mexico.

CASE 11132: Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle gas production from the Blanco-Mesaverde Pool (W/2 equivalent dedication), Chacra formation (SW/4 equivalent dedication) and South Blanco-Pictured Cliffs Pool (SW/4 equivalent dedication) within the wellbore of its Navajo Indian "B" Well No. 3 located 1180 feet from the South line and 1450 feet from the West line (Unit N) of Section 19, Township 27 North, Range 8 West. Said well is located approximately 12 miles northeast of the Huerfano Training Post, New Mexico. In the absence of objection, this application will be taken under advisement.

CASE 11107: (Continued from October 27, 1994, Examiner Hearing.)

Application of Maralo, 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 Bone Spring formation, underlying the NE/4 NW/4 (Unit C) of Section 30, Township 23 South, Range 30 East, forming a standard 40-acre oil spacing and proration unit. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 10 miles east by south of Loving, New Mexico.

CASE 10280: (Reopened)

In the matter of Case No. 10280 being reopened pursuant to the provisions of Division Orders Nos. R-9594 and R-9594-A, which orders promulgated temporary special rules and regulations for the Milnesand-Abo Pool in Lea and Roosevelt Counties, New Mexico, including a provision for 80-acre spacing. Operators in the subject pool may appear and show cause why said special pool rules should not be rescinded and why the Milnesand-Abo Pool should not be developed on other than 40-acre spacing and proration units.

CASE 10804: (Reopened)

In the matter of Case No. 10804 being reopened pursuant to the provisions of Division Order No. R-10010, which order promulgated temporary special rules and regulations for the Happy Valley-Delaware Pool in Eddy County, New Mexico, including provisions for a limiting gas/oil ratio of 10,000 cubic feet of gas per barrel of oil and a special depth bracket allowable of 160 barrels of oil per day. Operators in said Happy Valley-Delaware Pool may appear and present evidence and show cause why said special rules and regulations should remain in effect.

CASE 10530: (Reopened - Continued from October 13, 1994, Examiner Hearing.)

In the matter of Case No. 15030 being reopened pursuant to the provisions of Order Nos. R-9722 and R-9722-A, which promulgated special rules and regulations for the West Lovington-Strawn Pool including a provision for 80-acre spacing. Operators in the subject pool should be prepared to appear and show cause why the temporary special rules and regulations for the West Lovington-Strawn Pool should not be rescinded and said pool not be developed on 40-acre spacing units.

CASE 11124: (Continued from October 27, 1994, Examiner Hearing.)

Application of Conoco Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated North Dagger Draw-Upper Pennsylvanian Pool underlying the NW/4 of Section 32, Township 19 South, Range 25 East, forming a standard 160-acre oil spacing and proration unit for said 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 costs 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 the risk involved in drilling and completing said well. Said unit is located approximately 10 1/2 miles west of Lakewood, New Mexico.

CASE 11133: Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (158.47-acre dedication comprising Lots 11, 12, and 13 and the NW/4 SW/4, being the SW/4 equivalent) with gas from the Basin-Fruitland Coal (Gas) Pool (314.89-acre dedication comprising Lots 3, 4, 5, 6, 11, 12, and 13 and the NW/4 SW/4, being the W/2 equivalent) within the wellbore of its existing Murphy "B" Well No. 1 located at a standard gas well location for both intervals 1050 feet from the South line and 1600 feet from the West line (Lot 13/Unit N) of Section 25, Township 30 North, Range 11 West. Said well is located approximately 3 miles southeast of Aztec, New Mexico. In the absence of objection, this application will be taken under advisement.

CASE 11134: Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (157.77-acre dedication comprising Lots 6, 11, and 12 and the NE/4 SE/4, being the SE/4 equivalent) with gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Payne Well No. 2 located 1180 feet from the South line and 1750 feet from the East line (Lot 11/Unit O) of Section 35, Township 30 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 316.83-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising Lots 9 through 13, the SE/4 SW/4, and the W/2 SE/4 (S/2 equivalent) of said Section 35. Said well is located approximately 4 miles southeast of Aztec, New Mexico.

CASE 11135: Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (159.75-acre dedication comprising Lot 5, the N/2 NE/4, and the SE/4 NE/4, being the NE/4 equivalent) with gas from the Basin-Fruitland Coal (Gas) Pool (319.43-acre dedication comprising Lots 1 through 5, the N/2 NE/4, and the SE/4 NE/4, being the N/2 equivalent) within the wellbore of its existing Wood Well No. 2 located at a standard gas well location for both intervals 1650 feet from the North line and 1800 feet from the East line (Lot 5/Unit G) of Section 35, Township 30 North, Range 11 West. Said well is located approximately 4 miles southeast of Aztec, New Mexico. In the absence of objection, this application will be taken under advisement.

CASE 11136: Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (156.28-acre dedication comprising Lots 1, 2, 7, and 8, being the NE/4 equivalent) with gas from the Basin-Fruitland Coal (Gas) Pool (313.36-acre dedication comprising Lots 1, 2, 7, 8, 9, 10, 14, and 15, being the E/2 equivalent) within the wellbore of its existing Albright "A" Well No. 1 located at a standard gas well location for both intervals 990 feet from the North and East lines (Lot 1/Unit A) of Section 25, Township 30 North, Range 11 West. Said well is located approximately 3 miles southeast of Aztec, New Mexico. In the absence of objection, this application will be taken under advisement.

CASE 11137: Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (160-acre, SE/4 dedication) with coal gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Garrett Com Well No. 1 located 1650 feet from the South and East lines (Unit J) of Section 12, Township 29 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising the E/2 of said Section 12. Said well is located approximately 2 miles northeast of Bloomfield, New Mexico.

CASE 11138: Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (160.01-acre dedication comprising Lots 9 and 13 and the W/2 SE/4, being the SE/4 equivalent) with gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Martin Well No. 2 located 1650 feet from the South and East lines (Unit J) of Section 34, Township 30 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 321.87-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising Lots 9 through 13, the SE/4 SW/4, and the W/2 SE/4 (S/2 equivalent) of said Section 34. Said well is located approximately 4 miles south of Aztec, New Mexico.

CASE 11139: Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (160-acre, NW/4 dedication) with gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Seymour Com Well No. 1 located 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 36, Township 30 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising the N/2 of said Section 36. Said well is located approximately 6 miles southwest of Aztec, New Mexico.

CASE 11140: Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (160-acre, SE/4 dedication) with coal gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Garrett Com Well No. 1 located 1650 feet from the South line and East lines (Unit J) of Section 12, Township 29 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising the E/2 of said Section 12. Said well is located approximately 2 miles northeast of Bloomfield, New Mexico.

CASE 11089: (Continued from September 15, 1994, Examiner Hearing.)

Application of Meridian Oil Inc. to abolish the Barker Creek-Paradox (Pennsylvanian) Pool and the concomitant creation of five replacement gas pools each with special rules and regulations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to abolish the Barker Creek-Paradox (Pennsylvanian) Pool comprising all or portions of Sections 9, 10, 11, 14, 15, 16, 17, 19, 20, 21, 22, 23, 27, 28, and 29, Township 32 North, Range 14 West, and the concomitant creation of five replacement pools for the production of gas from five separate and distinct members of the Paradox formation. Applicant further seeks the promulgation of special rules therefor including a provision for 640-acre spacing and well location requirements. Said area is centered approximately eight miles northwest of La Plata, New Mexico.

CASE 11123: (Continued from October 27, 1994, Examiner Hearing.)

Application of Rand Oil & Gas, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Summers Well No. 1 located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 18, Township 17 South, Range 39 East, and utilize said well to dispose of produced salt water into the South Knowles-Devonian Pool through the open-hole interval from approximately 4950 feet to 8900 feet. Said well is located approximately 3 miles east of Knowles, New Mexico.

CASE 11141: Application of Marathon Oil Company for two additional high angle/horizontal wells and to amend Division Order No. R-10082, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to utilize the two existing J. M. Denton Well Nos. 4 and 6 located in Units "K" and "P", respectively, of Section 11, Township 15 South, Range 37 East by kicking-off from vertical, build angle to approximately 90 degrees with a short-radius curve and continue drilling a horizontal drainhole within the Denton-Devonian Pool. Applicant further seeks the promulgation of special rules and provisions for the applicant's J. M. Denton lease "pilot project", approved by Division Order No. R-10082, including the designation of a prescribed area limiting the horizontal displacement of any drainhole to within 330 feet from the circumventing said project area, comprising the SW/4, N/2 SE/4 and SE/4 SE/4 of said Section 11, the creation and formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, and the assignment of a special oil allowable for such non-standard oil proration units. Said project is located approximately 4.5 miles south-southeast of Prairieview, New Mexico.

CASE 10991: (Continued from October 13, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, 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, which presently includes but is not necessarily limited to the Pecos Slope Abo 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 15 miles west-northwest of Elkins, New Mexico.

CASE 11111: (Continued from October 27, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation 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 Canyon formation, underlying the SE/4 of Section 21, Township 19 South, Range 25 East, 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, which presently includes only the Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard location in the SW/4 SE/4 (Unit O) of said Section 21. 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 6.25 miles west by north of Lakewood, New Mexico.

CASE 10997: (Reopened)

Application of Nearburg Exploration Company to reopen Case 10997 and to amend Division Order No. R-10150, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order to amend Division Order No. R-10150, entered on July 14, 1994, for the purpose of substituting a new unorthodox gas well location 2310 feet from the North and East lines (Unit G) of Section 26, Township 19 South, Range 25 East, for the previously approved unorthodox gas well location to be 1450 feet from the North and East lines (Unit G) of said Section 26 for Nearburg Producing Company's proposed Morris 26F Well No. 2 to be drilled in accordance with the referenced compulsory pooling order which pooled all non-participating royalty interests for any production from the surface to the base of the Morrow formation and all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the N/2 of Section 26 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 but is not necessarily limited to the Undesignated Cemetery-Morrow Gas Pool. Said unit is located approximately 9 miles west-northwest of Lakewood, New Mexico.

CASE 11142: Application of Amerada Hess Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying the N/2 of Section 34, Township 24 North, Range 5 West, forming a standard 320-acre gas spacing and proration unit for said 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 area is located approximately 17 miles west by south of Lindrieth, New Mexico.

CASE 11089: (Continued and Readvertised)

Application of Meridian Oil Inc. to contract the vertical limits of the Barker Creek-Paradox (Pennsylvanian) Pool, the amendment of Division Order No. R-46, and the concomitant creation of three gas pools each with special rules and regulations therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to amend and redefine the Barker Creek-Paradox (Pennsylvanian) Pool comprising all or portions of Sections 9, 10, 11, 14, 15, 16, 17, 19, 20, 21, 22, 23, 27, 28, and 29, Township 32 North, Range 14 West, by vertically contracting the limits of said pool and the concomitant creation of three new gas pools, to include all or portions of Sections 7 through 10, 11, 14 through 23, 27 through 30, Township 32 North, Range 14 West, by dividing the balance of the Paradox formation, in the Ismay, the Desert Creek, and the Upper-Barker Creek and Akah members. Applicant further seeks the promulgation of special rules for each new pool including 160 or 320-acre spacing and well location exceptions allowing for 100 foot off-sets. Also, the special Rules and Regulations for the contracted Barker Creek-Paradox (Pennsylvanian) Pool, as promulgated by Division Order No. R-46, should include a similar provision allowing for 100 foot off-sets to the outer boundary of a spacing and proration unit. Said area is centered approximately eight miles northwest of La Plata, New Mexico.

CASE 11129: (Continued from October 27, 1994, Examiner Hearing.)

Application of AnSon Gas Corporation for compulsory pooling and an unorthodox oil 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 Atoka formation underlying the N/2 SE/4 of Section 15, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for the Undesignated Humble City-Strawn Pool. Said unit is to be dedicated to the Shipp "15" Well No. 1 to be drilled at an unorthodox oil well location 2130 feet from the South line and 510 feet from the East line (Unit I) of Section 15 to test the Strawn formation. 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 the risk involved in drilling and completing said well. Said area is located approximately 3 miles northwest of Humble City, New Mexico.

CASE 11099: (Continued from October 27, 1994, Examiner Hearing.)

Application of TARA-JON 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 Drinkard formation underlying the NE/4 NW/4 (Unit C) of Section 27, Township 16 South, Range 38 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 but is not necessarily limited to the Undesignated Garrett-San Andres Pool, Undesignated Garrett-Drinkard Pool, and Undesignated East Garrett-Drinkard Pool. Said pooled unit is to be dedicated to either the plugged and abandoned The Texas Company Gotlieb Ertal Well No. 1 (T.D. - 13,310 feet), located at a standard oil well location 660 feet from the North line and 1982 feet from the West line, more or less, of said Section 27 or, if said Gotlieb Ertal Well No. 1 is found not to be mechanically sound, to a new well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of re-entering and recompleting the old plugged and abandoned well and/or the costs of drilling and completing a new 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 unit and a charge for risk involved in re-entering the old plugged and abandoned well and/or the drilling of a new well. Said unit is located approximately 12 miles north of Hobbs, New Mexico.

CASE 10976: (Continued from October 27, 1994, Examiner Hearing.)

Application of Harvey E. Yates 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 32, Township 17 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 within said vertical extent. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 1.5 miles southwest of the junction of U.S. Highway 82 and State Road 529.

DOCKET NO. 33-94

DOCKET: COMMISSION HEARING - THURSDAY - NOVEMBER 17, 1994
9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO
The Land Commissioner's designee for this hearing will be Jami Bailey or Gary Carlson

CASE 11143: In the matter of the hearing called by the Oil Conservation Division to amend Rule 711 of its General Rules and Regulations pertaining to the permitting of surface waste disposal facilities. Some of the proposed amendments to Rule 711 include 1) adding "centralized" facilities to the scope of Rule 711; 2) increasing the scope of the notice requirements; 3) expanding the closure plan requirements; and 4) increasing the bonding requirements. Copies of the proposed amended Rule 711 are being sent out with the November 17th Commission hearing docket.

RULE 711 - ~~COMMERCIAL~~ SURFACE WASTE DISPOSAL
FACILITIES

(as of)

A. A commercial surface waste disposal facility is defined as any facility that receives compensation for collection, disposal, evaporation, remediation or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils and/or, upon written approval by the Division, other approved oil field related waste in surface pits, ponds, or below grade tanks, or on the ground surface. ~~Such facility will not be allowed to operate unless it has been permitted in conformity with the following provisions:~~

B. A centralized surface waste disposal facility is defined as any facility that:

1. provides for collection, disposal, remediation, evaporation or storage of produced water, drilling fluids, drill cuttings, completion fluids, contaminated soils, and/or other approved oilfield related wastes in surface pits, ponds, below grade tanks or on the ground surface, and;
2. is owned by a single company/proprietor and receives wastes from two or more sites owned by that same company/proprietor, and;
3. receives in excess of _____ barrels/day or _____ cubic yards/day of waste or has a capacity to hold _____ barrels or more or _____ cubic yards or more.

C. Surface waste disposal facilities that receive wastes from a single well or are smaller than the size limitations of B.3. above will be permitted by the appropriate OCD District office. These facilities will be permitted through the Application to Drill (APD) process or supplemental District permitting.

D. Commercial and centralized surface disposal facilities will not be allowed construct, reconstruct, enlarge, modify or operate unless they have been permitted in conformity with the following provisions:

1. ~~Prior to the construction, reconstruction or enlargement of a commercial surface waste disposal facility,~~ An application, Form C- , for a permit to construct and operate a new facility or a to modification to an existing permit shall be filed in DUPLICATE with the Santa Fe Office of the Division and ONE COPY to with the appropriate district office. The application shall be submitted pursuant to Division guidelines and shall be accompanied by:

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 15, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 28-94 and 29-94 are tentatively set for September 29, 1994 and October 13, 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 11068: (This Case will be dismissed - Continued from August 18, 1994, Examiner Hearing.)

Application of Arco Permian to rescind Division Order No. R-4808-A and for the adoption of special rules and regulations for the Riverwolf Unit (the former Citgo Empire-Abo Unit) including special oil allowable provisions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks rescission of Division Order No. R-4808-A, which order provided for development of the Riverwolf Unit, formerly the Citgo Empire-Abo Unit, under statewide rules and seeks adoption of special allowable limits which will permit production rates at levels constituent with withdrawals from the off-setting Empire-Abo Unit. This unit is located approximately 8 miles east of Artesia, New Mexico.

CASE 11069: (This Case will be dismissed - Continued from August 18, 1994, Examiner Hearing.)

Application of Arco Permian for amendment of the special rules and regulations for the Empire-Abo Pressure Maintenance Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the special rules and regulations for the Empire-Abo Pressure Maintenance Project Area, as promulgated by Division Order Nos. R-4549 through R-4549-G, to permit partial gas sales of project gas and to amend the reporting requirements for project operations to accommodate these sales. This unit is located 6 to 12 miles east of Artesia, New Mexico.

CASE 11082: Application of Petroleum Development Corporation for a high angle/horizontal directional drilling pilot project and for special operating rules therefor, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a short-radius horizontal directional drilling pilot project in the Tom Tom-San Andres Pool on its State "32" Lease comprising the S/2 SW/4 and NW/4 SE/4 of Section 32, Township 7 South, Range 31 East. Initially the applicant proposes to utilize the existing State "32" Well Nos. 2 and 4 located in Units "J" and "N", respectively, of said Section 32 by kicking-off from vertical, build angle to approximately 90 degrees with a short-radius curve and continue drilling a horizontal drainhole within said pool. Applicant further seeks the promulgation of special rules and provisions therein including the designation of a prescribed area limiting the horizontal displacement of any drainhole to within 100 feet of the boundary circumventing said project area, an administrative process for future drainholes, the creation and formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, and the assignment of a special oil allowable to units with drainholes or to assign a special project allowable for the project area should it be deemed advisable. Said project area is located approximately 13 miles south by west of Kenna, New Mexico.

CASE 11083: Application of Petroleum Development Corporation for a high angle/horizontal directional drilling pilot project and for special operating rules therefor, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a short-radius horizontal directional drilling pilot project in the Tomahawk-San Andres Pool on its Tom State "36" Lease comprising the NE/4 NE/4, S/2 NE/4, and SE/4 of Section 36, Township 7 South, Range 31 East. Initially the applicant proposes to utilize the existing Tom State "36" Well Nos. 1, 4, and 5 located in Units "A", "J", and "P", respectively, of said Section 36 by kicking-off from vertical, build angle to approximately 90 degrees with a short-radius curve and continue drilling a horizontal drainhole within said pool. Applicant further seeks the promulgation of special rules and provisions therein including the designation of a prescribed area limiting the horizontal displacement of any drainhole to within 100 feet of the boundary circumventing said project area, an administrative process for future drainholes, the creation and formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, and the assignment of a special oil allowable to units with drainholes or to assign a special project allowable for the project area should it be deemed advisable. Said project area is located approximately 13 miles south by east of Kenna, New Mexico.

CASE 11084: Application of Petroleum Development Corporation for a high angle/horizontal directional drilling pilot project and for special operating rules therefor, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a short-radius horizontal directional drilling pilot project in the Tom Tom-San Andres Pool on its Miller Federal Lease comprising the S/2 NE/4, SE/4 NW/4, S/2 SW/4, and SE/4 of Section 34 and the S/2 of Section 35, both in Township 7 South, Range 31 East. Initially the applicant proposes to utilize the existing Miller Federal lease Well Nos. 3, 6, 7, 8, and 9 by kicking-off from vertical, build angle to approximately 90 degrees with a short-radius curve and continue drilling a horizontal drainhole within said pool. Applicant further seeks the promulgation of special rules and provisions therein including the designation of a prescribed area limiting the horizontal displacement of any drainhole to within 100 feet of the boundary circumventing said project area, an administrative process for future drainholes, the creation and formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, and the assignment of a special oil allowable to units with drainholes or to assign a special project allowable for the project area should it be deemed advisable. Said project area is located approximately 13 miles south by east of Kenna, New Mexico.

CASE 10530: (Reopened)

In the matter of Case No. 10530 being reopened pursuant to the provisions of Order Nos. R-9722 and R-9722-A, which promulgated special rules and regulations for the West Lovington-Strawn Pool including a provision for 80-acre spacing. Operators in the subject pool should be prepared to appear and show cause why the temporary special rules and regulations for the West Lovington-Strawn Pool should not be rescinded and said pool not be developed on 40-acre spacing units.

CASE 10669: (Reopened)

In the matter of Case No. 10669 being reopened pursuant to the provisions of Order No. R-9875, as amended, which promulgated special rules and regulations for the Northeast Pollack-Wolfcamp Pool, including a provision for 160-acre spacing. Operators in the subject pool should be prepared to appear and show cause why the temporary special rules and regulations for the Northeast Pollack-Wolfcamp Pool should not be rescinded and said pool not be developed on 40-acre spacing units.

CASE 11085: Application of RMI Environmental Services, Inc. for a permit to construct and operate a commercial wastewater evaporation pond, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization to construct a synthetic double lined wastewater evaporation pond equipped with proper leak detection for the purpose of commercially disposing of nonhazardous wastewater produced in conjunction with coalbed methane. Said pond is to be located in the SE/4 equivalent of Section 11, Township 32 North, Range 7 West, which is approximately 1/2 mile south of the Colorado/New Mexico stateline on the east side of Tiffany Road.

CASE 11086: Application of C & C Landfarm, Inc. for expansion of a commercial surface waste disposal facility, Lea County, New Mexico. C & C Landfarm, Inc. under Commission Order No. R-9769-A, dated April 29, 1993, was granted the authority to construct and operate a commercial "landfarm" facility for the remediation of non-hazardous hydrocarbon contaminated soils utilizing an enhanced biodegradation process on a site located in the SW/4 NE/4 (Unit G) of Section 3, Township 20 South, Range 37 East. At this time the applicant, in the above-styled cause, seeks to expand said facility by including an adjoining 40-acre tract comprising the NW/4 NE/4 (Unit B) of said Section 3, which is approximately 2 miles southeast of Monument, New Mexico.

CASE 11087: Application of Nearburg Exploration Company 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 formation to the base of the Cisco formation, underlying the NW/4 of Section 22, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes only the Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to its proposed Ross Ranch "22" Well No. 2 to be drilled and completed at a standard location in the SW/4 NW/4 (Unit E) in said Section 22. 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 6 miles west by north of Lakewood, New Mexico.

CASE 11057: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil 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 Delaware formation underlying the SW/4 NW/4 of Section 27, Township 19 South, Range 34 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. Said unit is to be dedicated to its Mallon "27" Federal Well No. 3 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11058: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil 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 Delaware formation underlying the SE/4 SW/4 of Section 27, Township 19 South, Range 34 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. Said unit is to be dedicated to its Mallon "27" Federal Well No. 1 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11059: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil 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 Delaware formation underlying the SE/4 SE/4 of Section 27, Township 19 South, Range 34 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 but is not necessarily limited to the Undesignated Northeast Lea-Delaware Pool. Said unit is to be dedicated to its Mallon "27" Federal Well No. 2 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11060: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil 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 Delaware formation underlying the SW/4 NW/4 of Section 34, Township 19 South, Range 34 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. Said unit is to be dedicated to its Mallon "34" Federal Well No. 5 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11061: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil 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 Delaware formation underlying the NE/4 NE/4 of Section 34, Township 19 South, Range 34 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 but is not necessarily limited to the Undesignated Northeast Lea-Delaware Pool. Said unit is to be dedicated to its Mallon "34" Federal Well No. 2 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11062: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil 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 Delaware formation underlying the NE/4 SE/4 of Section 34, Township 19 South, Range 34 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 but is not necessarily limited to the Undesignated Northeast Lea-Delaware Pool. Said unit is to be dedicated to its Mallon "34" Federal Well No. 3 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11063: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil 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 Delaware formation underlying the NW/4 NW/4 of Section 34, Township 19 South, Range 34 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. Said unit is to be dedicated to its Mallon "34" Federal Well No. 1 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11064: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil 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 Delaware formation underlying the SE/4 NW/4 of Section 34, Township 19 South, Range 34 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 but is not necessarily limited to the Undesignated Northeast Lea-Delaware Pool. Said unit is to be dedicated to its Mallon "34" Federal Well No. 4 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11065: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil 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 Delaware formation underlying the NE/4 NW/4 of Section 34, Township 19 South, Range 34 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. Said unit is to be dedicated to its Mallon "34" Federal Well No. 6 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11088: **Application of Marathon Oil Company for an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 26, Township 21 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool. All of said Section 26 is to be dedicated to said well forming a standard 640-acre gas spacing and proration unit for said pool. Said unit is located approximately 20 miles west of Carlsbad, New Mexico.

CASE 11089: **Application of Meridian Oil Inc. to abolish the Barker Creek-Paradox (Pennsylvanian) Pool and the concomitant creation of five replacement gas pools each with special rules and regulations, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks to abolish the Barker Creek-Paradox (Pennsylvanian) Pool comprising all or portions of Sections 9, 10, 11, 14, 15, 16, 17, 19, 20, 21, 22, 23, 27, 28, and 29, Township 32 North, Range 14 West, and the concomitant creation of five replacement pools for the production of gas from five separate and distinct members of the Paradox formation. Applicant further seeks the promulgation of special rules therefor including a provision for 640-acre spacing and well location requirements. Said area is centered approximately eight miles northwest of La Plata, New Mexico.

CASE 11090: **Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle West Kutz-Pictured Cliffs Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its existing Harmon "A" Well No. 2, located 1650 feet from the North and West lines (Unit F) of Section 2, Township 27 North, Range 12 West. Said well is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 320.20-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool comprising Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 2. Said well is located approximately 11 miles southeast of Farmington, New Mexico.

CASE 10991: (Continued from August 4, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, 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, which presently includes but is not necessarily limited to the Pecos Slope Abo 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 15 miles west-northwest of Elkins, New Mexico.

- CASE 11091:** Application of Southland Royalty Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Fulcher Kutz-Pictured Cliffs Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its existing Cooper Well No. 5, located 1120 feet from the South line and 1090 feet from the West line (Lot 7/Unit M) of Section 6, Township 29 North, Range 11 West. Said well is located approximately 4 miles southeast of Flora Vista, New Mexico.
- CASE 11092:** Application of Southland Royalty Company for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Fulcher Kutz-Pictured Cliffs Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its existing Hudson Well No. 2, located 990 feet from the South line and 330 feet from the East line (Unit P) of Section 34, Township 30 North, Range 12 West. Said well is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 315.56-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool comprising Lots 1 and 4, the E/2 NE/4, and the SE/4 (E/2 equivalent) of said Section 34. Said well is located approximately 2 miles south of Flora Vista, New Mexico.
- CASE 11093:** Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Armenta-Gallup Pool oil production within the wellbore of its Sullivan Gas Com "C" Well No. 1, located 940 feet from the South line and 1450 feet from the West line (Unit N) of Section 28, Township 29 North, Range 10 West, which is located approximately 5.5 miles south by east of Bloomfield, New Mexico.
- CASE 11094:** Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its Gooch Well No. 2-E, located 1100 feet from the North line and 1800 feet from the West line (Unit C) of Section 29, Township 28 North, Range 8 West, which is located approximately 9 miles southeast by east of Blanco, New Mexico.
- CASE 11095:** Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its Bolack Well No. 2-E, located 1520 feet from the South line and 1650 feet from the East line (Unit J) of Section 19, Township 28 North, Range 8 West, which is located approximately 8 miles southeast by east of Blanco, New Mexico.
- CASE 11096:** Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Flora Vista-Gallup Pool gas production within the wellbore of its L. C. Kelly Well No. 3-E, located 1710 feet from the North line and 880 feet from the East line (Lot 12/Unit H) of Section 4, Township 30 North, Range 12 West, which is located approximately 3.5 miles north northwest of Flora Vista, New Mexico.
- CASE 11097:** Application of Amoco Production Company to amend Division Order No. R-10108 which authorized a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Division Order No. R-10108 to extend the vertical limits of the project area, encompassing the E/2 of Section 28, Township 30 North, Range 8 West, to include the entire Blanco-Mesaverde Pool. Said project is located approximately 2 miles south-southwest of the Navajo Lake State Park Airport. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**
- CASE 11098:** Application of AnSon Gas Corporation for compulsory pooling and an unorthodox oil 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 Strawn formation underlying the E/2 SE/4 of Section 11, Township 17 South, Range 37 East, 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, which presently includes only the Humble City-Strawn Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox oil well location 1650 feet from the South line and 510 feet from the East line (Unit I) 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3.5 miles north of Humble City, New Mexico.

CASE 11099: Application of TARA-JON 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 Drinkard formation underlying the NE/4 NW/4 (Unit C) of Section 27, Township 16 South, Range 38 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 but is not necessarily limited to the Undesignated Garrett-San Andres Pool, Undesignated Garrett-Drinkard Pool, and Undesignated East Garrett-Drinkard Pool. Said pooled unit is to be dedicated to either the plugged and abandoned The Texas Company Gotlieb Ertal Well No. 1 (T.D. - 13,310 feet), located at a standard oil well location 660 feet from the North line and 1982 feet from the West line, more or less, of said Section 27 or, if said Gotlieb Ertal Well No. 1 is found not to be mechanically sound, to a new well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of re-entering and recompleting the old plugged and abandoned well and/or the costs of drilling and completing a new 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 unit and a charge for risk involved in re-entering the old plugged and abandoned well and/or the drilling of a new well. Said unit is located approximately 12 miles north of Hobbs, New Mexico.

CASE 11100: Application of Texaco Exploration and Production, Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Fulcher Kutz-Pictured Cliffs Pool gas production with Basin Dakota Pool gas production in the wellbore of its H.J. Loe Federal "B" Well No. 2-E, located 1700 feet from the North line and 1050 feet from the West line (Lot 5/Unit E) of Section 23, Township 29 North, Range 12 West, which is located approximately seven miles east by south of Farmington, New Mexico.

CASE 11101: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Rio Arriba, San Juan, and Sandoval Counties, New Mexico.

- (a) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Pictured Cliffs production and designated as the Rosa-Pictured Cliffs Pool. The discovery well is the Northwest Pipeline Rosa Unit Well No. 137 located in Unit L of Section 31, Township 31 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM
Section 31: SW/4

- (b) EXTEND the Bisti-Chacra Pool in San Juan County, New Mexico, include therein:

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM
Section 7: S/2 and NW/4

TOWNSHIP 22 NORTH, RANGE 9 WEST, NMPM
Section 12: E/2
Section 13: NE/4

- (c) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 29: W/2

- (d) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM
Section 6: SW/4
Section 7: N/2
Section 8: N/2

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM
Section 1: S/2
Section 2: S/2
Section 11: NE/4
Sections 12 and 13: ALL
Section 24: E/2
Section 25: NE/4

- (e) EXTEND the South Blanco-Pictured Cliffs Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM
Section 34: NE/4

- (f) EXTEND the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico extended to include therein:

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM
Section 1: NW/4
Section 2: N/2
Section 3: NE/4

- (g) EXTEND the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, extended to include therein:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 16: N/2 and SE/4
Section 17: NE/4
Section 36: SE/4

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM
Section 12: SE/4

DOCKET NO. 27-94

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 22, 1994

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The Land Commissioner's designee for this hearing will be Jami Bailey

CASE 11102: The Oil Conservation Division is calling a hearing on its own motion to consider proposed October, 1994 - March, 1995 gas allowables for the prorated gas pools in New Mexico. Allowable assignment factors are being distributed with an OCD Memorandum dated September 2, 1994. If requests for changes are not received at the September 22 hearing, these factors will be used to assign allowables for the October - March period.

CASE 11019: (De Novo)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to drill a well at an unorthodox gas well location 330 feet from the South line and 950 feet from the West line (Lot 4-Unit M) of Irregular Section 7, Township 22 South, Range 31 East, to test the Undesignated Cabin Lake-Morrow Gas Pool. Lots 3 and 4, the E/2 SW/4 and the SE/4 (S/2 equivalent) of said Section 7 are to be dedicated to said well to form a 319.81-acre gas spacing and proration unit. Said unit is located approximately 19 miles northeast by east of Malaga, New Mexico. Upon application of Bass Enterprises Production Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11014: (De Novo)

Application of Phillips Petroleum Company for a non-standard oil proration unit, an unorthodox oil well location, a high angle/horizontal directional drilling pilot project, special operating rules therefor, a special project oil allowable and production testing period, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the formation of a non-standard 120-acre oil spacing and proration unit in the Cherry Canyon member of the Cabin Lake-Delaware Pool comprising the SE/4 SW/4 and the S/2 SE/4 of Section 11, Township 22 South, Range 30 East, for the purpose of initiating a high angle/horizontal directional drilling pilot project. The applicant proposes to commence drilling vertically at an unorthodox surface oil well location 1060 feet from the South line and 10 feet from the East line (Unit P) of said Section 11, kick-off at a depth of approximately 5100 feet in a west-southwesterly direction, build angle to approximately 90 degrees, and continue to drill horizontally in the Cherry Canyon formation for approximately 2200 feet. Further, the applicant seeks the adoption of special operating provisions for said pilot project including the designation of a prescribed area limiting the horizontal extent of said wellbore to a target window no closer than 330 feet to the outer boundary of said proration unit, the assignment of an acreage factor of 3.0 to the proposed 120-acre unit, or three times the number of 40-acre tracts connected to form the project area, and an exception to Division General Rule 502 to establish a 12-month test period and an extended time to make up any accrued over production from said test period. Said project area is located approximately 4 miles east of International Minerals & Chemical Inc.'s potash mine and mill. Upon application of Phillips Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.