

CASE 12063: Continued from November 5, 1998, Examiner Hearing.

Application of Matador Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the E/2 of Section 28, Township 19 South, Range 33 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within that vertical extent, which presently may include but is not necessarily limited to the Gem-Morrow Gas Pool. The unit is to be dedicated to its Topacio Well No. 1 to be drilled and completed at a standard gas well location in Unit G of Section 28. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs 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 the well. The unit is located approximately 25 miles southwest of Hobbs, New Mexico.

CASE 12048: Continued from November 5, 1998, Examiner Hearing.

Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, Undesignated Gem-Morrow Gas Pool, underlying the E/2 for all formations developed on 320-acre spacing, the SE/4 for all formations developed on 160-acre spacing, the E/2 SE/4 for all formations developed on 80-acre spacing, and the NE/4 SE/4 for all formations developed on 40-acre spacing, all in Section 28, Township 19 South, Range 33 East. Applicant proposes to dedicate these pooled units to its Jade "28" Federal Com Well No. 1 to be drilled at a standard location 1650 feet from the South line and 990 feet from the East line in Unit I of Section 28 to test any and all formations to the base of the Morrow formation. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs 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 the well. This area is located approximately 25 miles southwest of Hobbs, New Mexico.

CASE 12033: Continued from October 22, 1998, Examiner Hearing.

Application of Public Service Company of New Mexico for review of Oil Conservation Division directive dated March 13, 1998 directing applicant to perform additional remediation for hydrocarbon contamination, San Juan County, New Mexico. Applicant seeks review of a Division directive dated March 13, 1998 directing applicant to perform additional remediation for hydrocarbon contamination located in the area of the Burlington Resources Hampton Well No. 4M located in Unit N, Section 13, Township 30 North, Range 11 West, and a determination by the division that applicant is not a responsible person for purposes of further investigation or remediation of the contamination. Applicant further seeks a stay of the March 13, 1998 directive pending an order in this matter. The subject area is located approximately 3 miles east-southeast of Aztec, New Mexico.

CASE 12093: In the matter of the hearing called by the Oil Conservation Division for an order creating, contracting, and extending certain pools in Eddy County, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the North Corral Draw-Wolfcamp Gas Pool. The discovery well is the Burlington Resources Oil & Gas Company Corral Draw "9" Federal Well No. 1 located in Unit C of Section 9, Township 25 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM

Section 9: N/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Chester production and designated as the Loco Hills-Chester Gas Pool. The discovery well is the Yates Petroleum Corporation Loco "ASI" Federal Com. Well No. 1 located in Unit L of Section 10, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 10: W/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Travis-Wolfcamp Pool. The discovery well is the Marathon Oil Company Edward Mitchusson "4" State Well No. 1 located in Unit K of Section 4, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 4: SW/4

- (d) CONTRACT the Grayburg Jackson-Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, by the deletion of the following described area:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 36: NE/4 SE/4