DOCKET: COMMISSION HEARING - WEDNESDAY - SEPTEMBER 18, 1996

8:00 A.M. - 2040 SOUTH PACHECO - SANTA FE, NEW MEXICO The Land Commissioner's designee for this hearing will be Jami Bailey

Dockets Nos 28-96 and 29-96 are tentatively set for October 3, 1996 and October 17, 1996. Applications for hearing must be filed at least 23 days in advance of hearing date.

CASE 11514: (De Novo)

Application of Read & Stevens, Inc. for an unorthodox infill gas well location and simultaneous dedication, Chaves County, New Mexico. Applicant seeks approval of an unorthodox infill gas well location in the Buffalo Valley-Pennsylvanian (Prorated) Gas Pool for a well to be drilled 990 feet from the South line and 1980 feet from the West line (Unit O) of Section 26, Township 15 South, Range 27 East. Said well is to be simultaneous dedicated with the existing Harris Federal Well No. 4, located at a standard gas well location in Unit "P" of said Section 26, to a standard 320-acre gas spacing and proration unit comprising the S/2 of said Section 26. Said unit is located approximately 9.5 miles southeast of Lake Arthur, New Mexico. Upon application of Read & Stevens, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11525: (De Novo)

Application of Yates Petroleum Corporation for amendment of the Special Pool Rules and Regulations for the North Dagger Draw-Upper Pennsylvanian Pool and for the cancellation of overproduction, Eddy County, New Mexico. Applicant seeks amendment of the Special Pool Rules and Regulations for the North Dagger Draw-Upper Pennsylvanian Pool located in portions of Townships 19 and 20 South, Ranges 24 and 25 East, to provide for a special depth bracket allowable of 4000 barrels of oil per day for each 160-acre proration unit. Applicant also seeks the cancellation of all overproduction in the pool on the date the requested depth bracket allowable becomes effective. This pool is located approximately 18 miles south-southwest of Artesia, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of OCD Rule 1220.

CASE 11526: (De Novo)

Application of Yates Petroleum Corporation for amendment of the Special Pool Rules and Regulations for the South Dagger Draw-Upper Pennsylvanian Pool and for the cancellation of overproduction, Eddy County, New Mexico. Applicant seeks amendment of the Special Pool Rules and Regulations for the South Dagger Draw-Upper Pennsylvanian Pool located in portions of Townships 20 and 21 South, Ranges 23 and 24 East, to provide for a special depth bracket allowable of 8000 barrels of oil per day for each 320-acre proration unit. Applicant also seeks the cancellation of all overproduction in the pool on the date the requested depth bracket allowable becomes effective. This pool is located approximately 19 miles south-southwest of Artesia, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of OCD Rule 1220.

CASE 11507: (De Novo)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Petroleum Development Corporation, United New Mexico Bank, Albuquerque, New Mexico, and all other interested parties to appear and show cause why the El Poso Ranch Well Nos. 8 and 11, located in Unit N of Section 14 and Unit K of Section 14, both in Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. Said wells are located approximately 4 miles northwest of El Vado, New Mexico. Upon application of Petroleum Development Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

Commission Hearing - September 18, 1996 Docket No. 26-96 Page 2 of 2

CASE 11508: (De Novo)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Spur Oil Inc., Old Republic Insurance Company, and all other interested parties to appear and show cause why the Samantha Well No. 1 located in Unit L of Section 26, Township 28 North, Range 1 East; Samantha Well No. 2 located in Unit K of Section 26, Township 28 North, Range 1 East; Samantha Well No. 3 located in Unit N of Section 26, Township 28 North, Range 1 East; Gonzales 13 Well No. 1 located in Unit 1 of Section 13, Township 31 North, Range 1 East; Gonzales 18 Well No. 1 located in Unit M of Section 18, Township 31 North, Range 2 East; Quintan Ranch Well No. 1 located in Unit H of Section 23, Township 32 North, Range 2 East; and the Quinlan Ranch Well No. 2 located in Unit N of Section 19, Township 31 North, Range 3 East; Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. The three Samantha wells are located approximately 5 miles west-northwest of El Vado, New Mexico. The Gonzales 13 Well No. 1 and Gonzales 18 Well No. 1 are located approximately 4 and 6 miles north-northwest of Chama, New Mexico, respectively. Upon application of Fred B. Shelton, Jr., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11509: (De Novo)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Chuza Operating, Underwriters Indemnity Co., and all other interested parties to appear and show cause why the Ei Poso Ranch Wells Nos. 1, 2, 3, 4, 7, 9 and 10, located in Units E of Section 26, P of Section 22, F of Section 14, C of Section 23, J of Section 14, N of Section 11, and O of Section 14, respectively, all in Township 28 North, Range 1 East, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. Said wells are located approximately 4 miles northwest of El Vado, New Mexico. Upon application of Chuza Operating, this case will be heard De Novo pursuant to the provisions of Rule 1220.

AWAITING FINAL COMMISSION ACTION NO EVIDENCE OR TESTIMONY WILL BE TAKEN

- CASE 11594: The Oil Conservation Division hearing on its own motion to consider proposed October, 1996 March, 1997 gas allowables for the prorated gas pools in New Mexico.
- CASE 11504: (De Novo)

Application of the Manzano Oil Corporation for pool creation and special pool rules, Chaves County, New Mexico. Applicant seeks the creation of a new pool for the production of oil from the Bough "C" formation, comprising the E/2 SW/4 of Section 16, Township 14 South, Range 30 East, and the promulgation of special pool rules therefor including provisions for 80-acre spacing units and special well location requirements. Said area is located approximately 24 miles east of Hagerman, New Mexico. Upon the application of Julian Ard, this case will be heard De Novo pursuant to the provisions of Rule 1220.