

Causes	29	Yates	28
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BEFORE THE

OIL CONSERVATION DIVISION

NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

YATES PETROLEUM CORPORATION'S  
PROPOSED UNORTHODOX GAS  
WELL LOCATIONS,  
PECOS SLOPE-ABO GAS POOL,  
CHAVES COUNTY, NEW MEXICO.

CASE NO. 11668

**TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM:**

Hansel ANH Federal No. 1  
Section 7: 2110' FNL & 940' FEL

**TOWNSHIP 7 SOUTH, RANGE 26 EAST, NMPM:**

Leeman OC Federal No. 5  
Section 18: 2310' FSL & 2310' FEL

**TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM:**

Thomas LN Federal No. 9  
Section 10: 2310' FSL & 1300' FWL

Snell QZ No. 2  
Section 31: 2310' FNL & 2310' FWL

Powers OL Federal Com. No. 11  
Section 33: 385' FNL & 1680' FEL

Teckla MD Federal No. 9  
Section 13: 330' FSL & 2200' FEL

Red Rock NB Federal No. 7  
Section 28: 2310' FSL & 1300' FWL

Sacra SA Com No. 13  
Section 34: 2310' FSL & 1500' FEL

*All find  
wells  
on  
units*

*100 units  
1. Infill allowed*

*660 blocks*

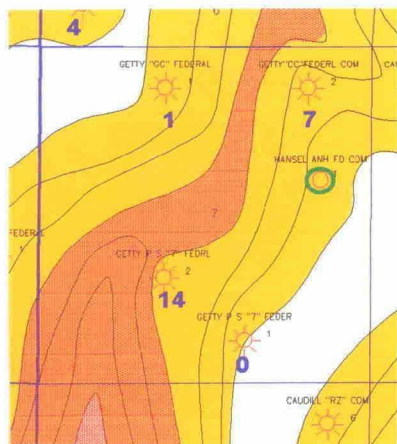
**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11668 Exhibit No. 2

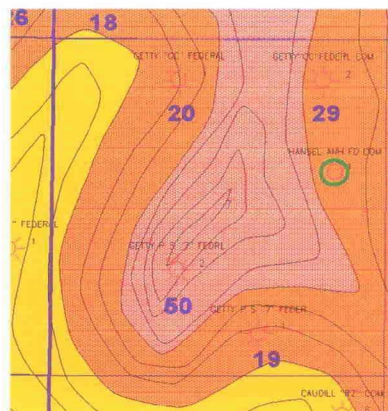
Submitted by: Yates Petroleum Corporation

Hearing Date: December 19, 1996

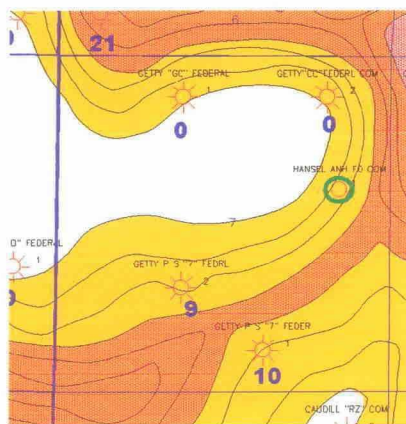
# HANSEL ANH FED NO. 1 SEC. 7-6S-26E 2110' FNL & 940' FEL



A ZONE: 4'







B ZONE: 27'



C ZONE: 5'

## LEGEND

-  Unorthodox Location
-  0'-15' Contour
-  15'-30' Contour
-  30'+ Contour

Yates Petroleum Corporation

NEW MEXICO  
Net Isopach  
Neutr-Dens X-Over, 9% Cutoff

Geo: Tim Miller

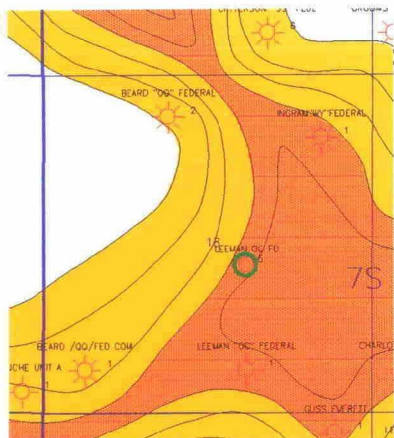
12/17/96

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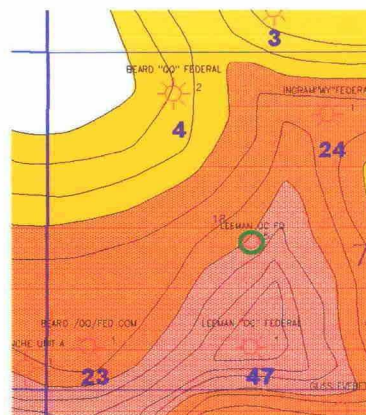
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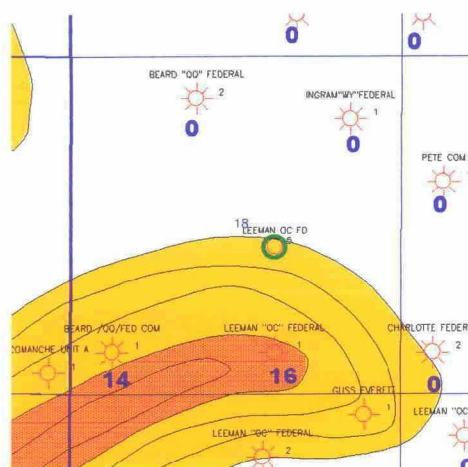
LEEMAN OC FED NO. 5  
SEC. 18-7S-26E  
2310' FSL & 2310' FEL



A ZONE: 17'







B ZONE: 32'



C ZONE: 2'

LEGEND

-  Unorthodox Location
-  0'-15' Contour
-  15'-30' Contour
-  30'+ Contour

Yates Petroleum Corporation

NEW MEXICO  
Net Isopach  
Neutr-Dens X-Over, 9% Cutoff

Geo: Tim Miller

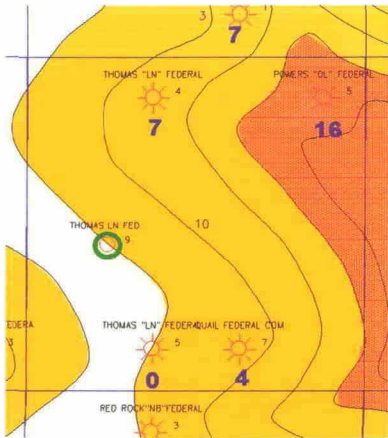
12/17/96

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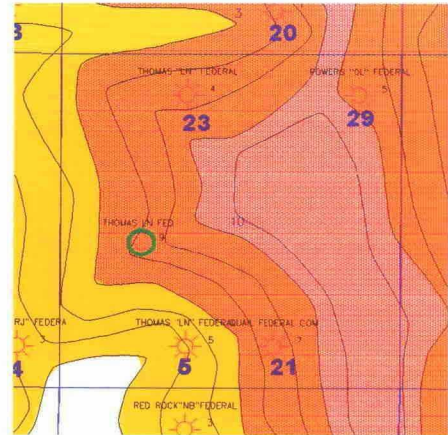
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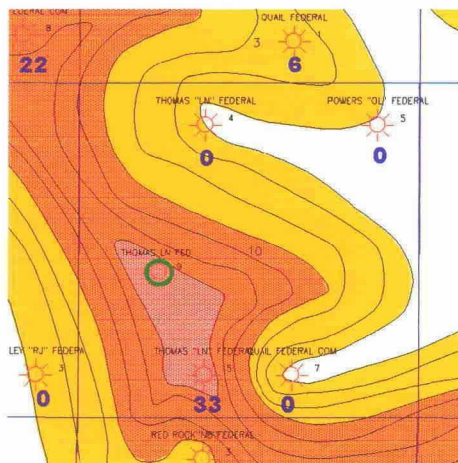
THOMAS LN FED NO. 9  
 SEC. 10-6S-25E  
 2310' FSL & 1300' FWL



A ZONE: 0'



B ZONE: 22'



C ZONE: 30'

LEGEND

- Unorthodox Location
- 0'-15' Contour
- 15'-30' Contour
- 30'+ Contour

Yates Petroleum Corporation

NEW MEXICO  
 Net Isopach  
 Neutr-Dens X-Over, 9% Cutoff

Geo: Tim Miller

12/17/96

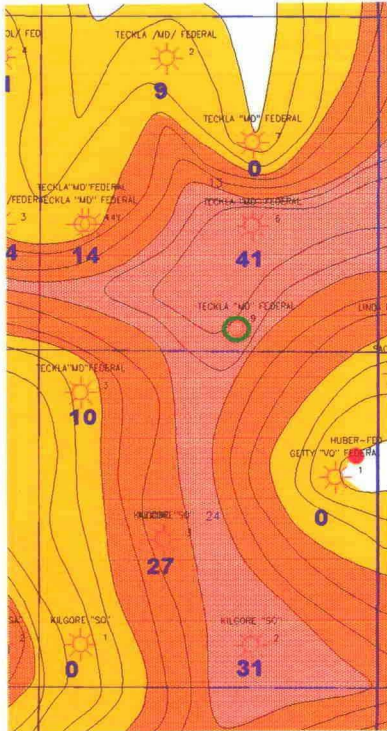
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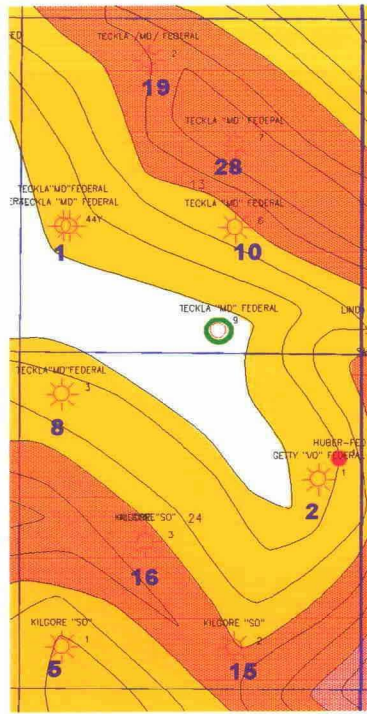
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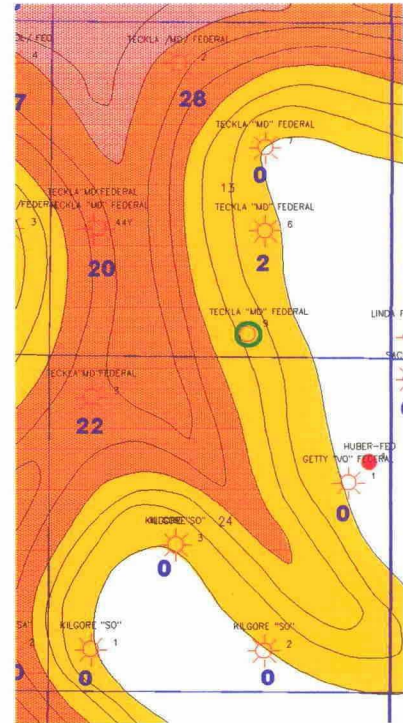
TECKLA MD FED NO. 9  
SEC. 13-6S-25E  
330' FSL & 2200' FEL



A ZONE: 35'



B ZONE: 0'



C ZONE: 10'

LEGEND

- Unorthodox Location
- 0'-15' Contour
- 15'-30' Contour
- 30'+ Contour

Yates Petroleum Corporation

NEW MEXICO  
Net Isopach  
Neutr-Dens X-Over, 9% Cutoff

Geo: Tim Miller

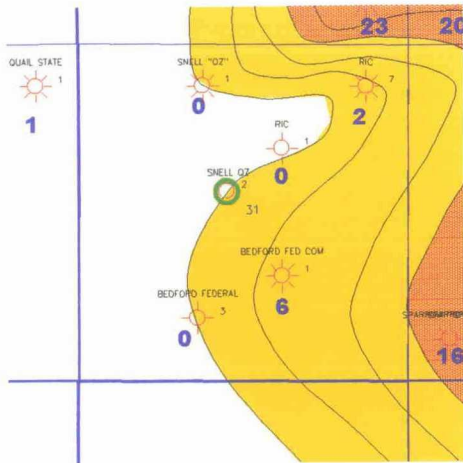
12/17/96

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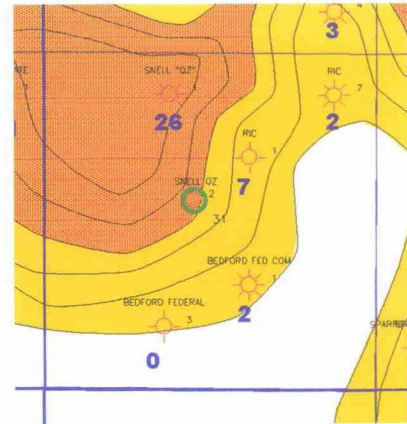
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C.I. = 5'

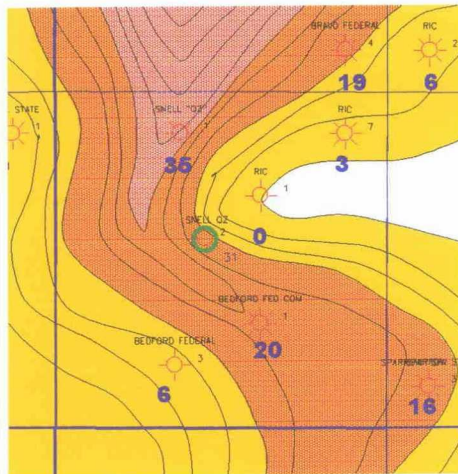
SNELL QZ NO. 2  
SEC. 31-6S-25E  
2310' FNL & 2310' FWL



A ZONE: 0'



B ZONE: 17'



C ZONE: 20'

LEGEND

- Unorthodox Location
- 0'-15' Contour
- 15'-30' Contour
- 30+ Contour

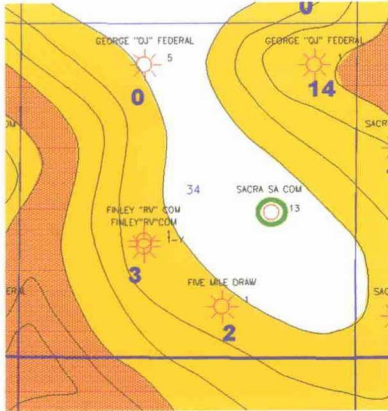
Yates Petroleum Corporation

NEW MEXICO  
Net Isopach  
Neutr-Dens X-Over, 9% Cutoff

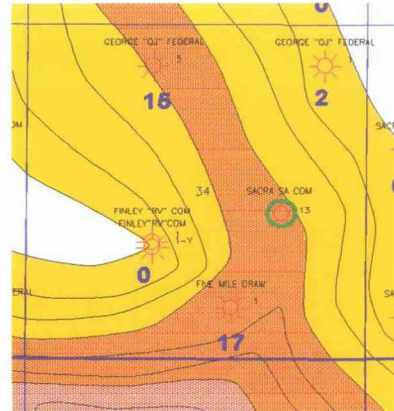
Geos: Tim Miles	Scale: 1:36000	12/17/96
11P5CONT.GPJ		CL: 5'



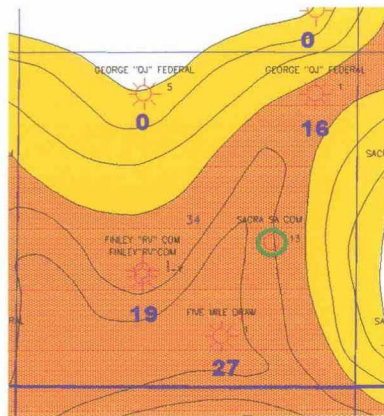
SACRA SA COM NO. 13  
 SEC. 34-6S-25E  
 2310' FSL & 1500' FEL



A ZONE: 0'



B ZONE: 18'



C ZONE: 23'

LEGEND

- Unorthodox Location
- 0'-15' Contour
- 15'-30' Contour
- 30'+ Contour

Yates Petroleum Corporation

NEW MEXICO  
 Net Isopach  
 Neutr-Dens X-Over, 9% Cutoff

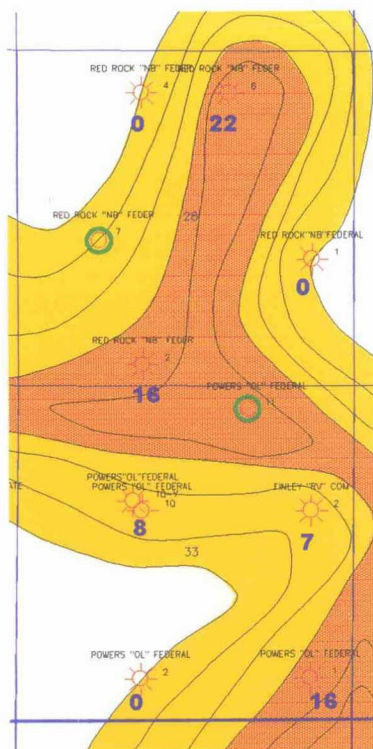
Geo: Tim Miller

12/17/96

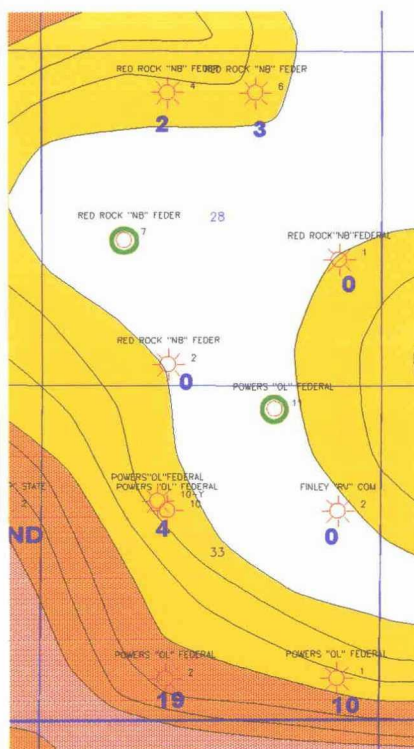
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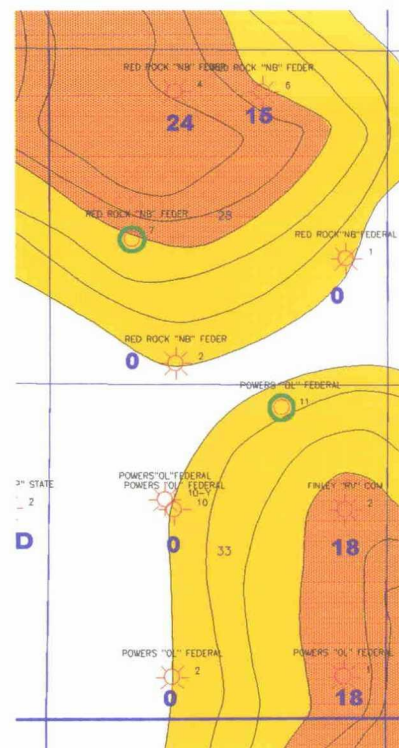
C.I. = 5'



ZONE A



ZONE B



ZONE C

RED ROCK NB FED NO. 7  
SEC. 28-6S-25E  
2310' FSL & 1300' FWL

A ZONE: 5'

B ZONE: 0'

C ZONE: 15'

#### LEGEND

- Unorthodox Location
- 0'-15' Contour
- 15'-30' Contour
- 30'+ Contour

POWERS OL FED 11  
SEC. 33-6S-25E  
385' FNL & 1680' FEL

A ZONE: 23'

B ZONE: 0'

C ZONE: 4'

Yates Petroleum Corporation

NEW MEXICO  
Net Isopach  
Neutr-Dens X-Over, 9% Cutoff

Geo: Tim Miller

12/17/96

TFPSCONT.GPF

Scale 1:36000.

C.I. = 5'



**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11668 Exhibit No. 3

Submitted by: Yates Petroleum Corporation

Hearing Date: December 19, 1996

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**≥ 9% ø Cutoff, Neutro-Dens X-Over**

Hansel ANH Federal No. 1	A Zone: 4'
Sec. 7-6S-26E	B Zone: 27'
2110' FNL & 940' FEL	C Zone: 5'
<b>Total: 36'</b>	
Leeman OC Federal No. 5	A Zone: 17'
Sec. 18-7S-26E	B Zone: 32'
2310' FSL & 2310' FEL	C Zone: 2'
<b>Total: 51'</b>	
Thomas LN Federal No. 9	A Zone: 0'
Sec. 10-6S-25E	B Zone: 22'
2310' FSL & 1300' FWL	C Zone: 30'
<b>Total: 52'</b>	
Snell QZ No. 2	A Zone: 0'
Sec. 31-6S-25E	B Zone: 17'
2310' FNL & 2310' FWL	C Zone: 20'
<b>Total: 37'</b>	
Powers OL Federal Com No. 11	A Zone: 23'
Sec. 33-6S-25E	B Zone: 0'
385' FNL & 1680' FEL	C Zone: 4'
<b>Total: 27'</b>	
Teckla MD Federal No. 9	A Zone: 35'
Sec. 13-6S-25E	B Zone: 0'
330' FSL & 2200' FEL	C Zone: 10'
<b>Total: 45'</b>	
Red Rock NB Federal No. 7	A Zone: 5'
Sec. 28-6S-25E	B Zone: 0'
2310' FSL & 1300' FWL	C Zone: 15'
<b>Total: 20'</b>	
Sacra SA Com No. 13	A Zone: 0'
Sec. 34-6S-25E	B Zone: 18'
2310' FSL & 1500' FEL	C Zone: 23'
<b>Total: 41'</b>	



**BEFORE THE  
OIL CONSERVATION DIVISION**  
Santa Fe, New Mexico

Case No. 11668 Exhibit No. 4

Submitted by: Yates Petroleum Corporation

Hearing Date: December 19, 1996

LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE





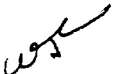
STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO  
SANTA FE, NEW MEXICO 87505  
(505) 827-7131

**MEMORANDUM**

**TO: ATTORNEYS, OPERATORS AND ALL INTERESTED PARTIES**

**FROM: WILLIAM J. LEMAY, DIVISION DIRECTOR** 

**SUBJECT: COMMISSION AND EXAMINER HEARING DATES FOR 1997**

**DATE: DECEMBER 6, 1996**

The following schedule is established for Oil Conservation Division Examiner Hearings for the year of 1997 and for Oil Conservation Commission hearings for the first half of 1997:

**EXAMINER HEARINGS**

**JANUARY 9th and 23rd**

**FEBRUARY 6th and 20th**

**MARCH 6th and 20th**

**APRIL 3rd and 17th**

**MAY 1st, 15th, and 29th**

**JUNE 12th and 26th**

**JULY 10th and 24th**

**AUGUST 7th and 21st**

**SEPTEMBER 4th and 18th**

**OCTOBER 9th and 23rd**

**NOVEMBER 6th and 20th**

**DECEMBER 4th and 18th**

**JANUARY 8th and 22nd, 1998**

**COMMISSION HEARINGS**

**JANUARY 16th**

**FEBRUARY 13th**

**MARCH 19th**

**APRIL 10th**

**MAY 22nd**

**JUNE 19th**

**DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 19, 1996**

8:15 AM - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 38-96 and 39-97 are tentatively set for January 9, 1997 and January 23, 1997. 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 11639:** (Continued from December 5, 1996, Examiner Hearing.)

**Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the N/2 of Section 8, Township 18 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing. Applicant proposes to dedicate this pooled unit to its Scoggin Draw "8" State Well No. 1, to be drilled at an orthodox location 660 feet from the North line and 2250 feet from the East line (Unit B) of said Section 8. 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 11 miles southwest of Artesia, New Mexico.

**CASE 11659:** (Continued from December 5, 1996, Examiner Hearing.)

**Application of Santa Fe Energy Resources, Inc. for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the SE/4 SE/4 of Section 27, Township 15 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 Grassland "27" Well No. 1, to be drilled at an unorthodox oil well location 1243 feet from the South line and 353 feet from the East line (Unit P) of said Section 27. 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 11 miles west by north of McDonald, New Mexico.

**CASE 11641:** (Readvertised)

**Application of ARCO Permian, a Division of Atlantic Richfield Company for compulsory pooling and unorthodox well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the W/2, in all formations developed on 160-acre spacing underlying the SW/4, in all formations developed on 80-acre spacing underlying the S/2 SW/4, and in all formations developed on 40-acre spacing underlying the SE/4 SW/4, from the surface to the base of the Morrow formation, of Section 34, Township 17 South, Range 28 East. Said units are to be dedicated to its Galileo 34 State Com Well No. 1 which will be drilled at an unorthodox location 1017 feet from the South line and 1379 feet from the West line (Unit N) of said Section 34 to a depth sufficient to test all formations to the base of the Morrow formation, Undesignated South Empire-Morrow Gas Pool. 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 area is located approximately 14 miles east-southeast of Artesia, New Mexico.

**CASE 11269:** (Reopened)

In the matter of Case No. 11269 being reopened pursuant to the provisions of Division Order No. R-10427, which order promulgated temporary special rules and regulations for the North Bell Lake-Ellenburger Gas Pool in Lea County, New Mexico. Operators in the subject pool may appear and show cause why said Temporary Special Rules and Regulations should not be rescinded.

**CASE 11673:** **Application of Penwell Energy, Inc. for pool contraction and for pool creation and the promulgation of special pool rules therefore, Eddy County, New Mexico.** Applicant seeks the contraction of the East Pierce-Bone Spring Pool by the deletion of the W/2 of Section 14, and the creation of a new pool for the production of hydrocarbons from the Bone Springs formation comprised of all of portions of Sections 2, 10, 11, 14 and 15 all in Township 24 South, Range 29 East, NMPM. Applicant also seeks the adoption of Special Pool Rules for this new pool including a provision for a special gas-oil ratio of 6,000 cubic feet of gas per barrel of oil. Said area is located approximately 20 miles southeast of Carlsbad, New Mexico.



**CASE 11660:** (Continued from November 21, 1996, Examiner Hearing.)

**Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Eddy County New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 29, Township 23 South, Range 26 East, and in the following manner: the E/2 of Section 29 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, including the Undesignated Frontier Hills-Strawn Gas Pool and the Undesignated South Carlsbad-Morrow Gas Pool; and the NE/4 of Section 29 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 applicant's Sheep Dip Fed. Com Well No. 1, to be drilled at an orthodox location 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 29. 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 11 miles southwest of Carlsbad, New Mexico.

**CASE 11655:** (Reopened)

**Application of Maralo, Inc. for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico.** Applicant seeks approval to establish a non-standard gas spacing and proration unit in the Undesignated West Reeves-Queen Gas Pool comprising the S/2 NW/4 and N/2 SW/4 of Section 16, Township 18 South, Range 35 East, being approximately 5 miles southeast by south of Buckeye, New Mexico. Said unit is to be dedicated to its existing Maralo SV "16" State Well No. 1 (API No. 30-025-29347) located at an unorthodox gas well location 1748 feet from the South line and 742 feet from the West line (Unit L) of said Section 16.

**CASE 11634:** (Continued from December 5, 1996, Examiner Hearing.)

**Application of InterCoast Oil and Gas Company for compulsory pooling and unorthodox well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests for all formations developed on 320-acre spacing in the N/2 of Section 20, Township 20 South, Range 28 East, from the surface to the base of the Morrow formation, Burton Flat-Morrow Gas Pool. Said unit is to be dedicated to its InterCoast State 20 Well No. 1 which will be drilled at an unorthodox location 990 feet from the North line and 990 feet from the East line (Unit A) 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 and completing said well. Said unit is located approximately 10 miles east-southeast of Lakewood, New Mexico.

**CASE 11667:** (Continued from December 5, 1996, Examiner Hearing.)

**Application of Penwell Energy, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the E/2 and in all formations developed on 160-acre spacing underlying the SE/4 from the surface to the base of the Morrow formation in Section 29, Township 23 South, Range 26 East. Said units are to be dedicated to its F. H. "29" Federal Com. Well No. 1 which will be drilled at a standard location 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 29. 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 area is located approximately 8 miles south of Carlsbad, New Mexico.

**CASE 11674:** **Application of Manzano Oil Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Wolfcamp formation in the S/2 NE/4 of Section 11, Township 16 South, Range 36 East. Said unit is to be dedicated to its "SV" Double Eagle Well No. 1 which has been drilled at a previously approved unorthodox well location 1500 feet from the North line and 2148 feet from the East line (Unit G) of said Section 11. Also to be considered will be the costs of drilling and completing said 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 said well. Said unit is located approximately 1 mile southeast of Lovington, New Mexico.

**CASE 11675:** **Application of Manzano Oil Corporation for pool creation and special pool rules, Lea County, New Mexico.** Applicant seeks the creation of a new pool for the production of oil from the Wolfcamp formation comprised of the S/2 NE/4 and the N/2 SW/4 of Section 11, Township 16 South, Range 36 East, NMPM. Applicant also seeks the adoption of temporary special pool rules and regulations for this pool which provide for 80-acre spacing and proration units. Said area is located approximately 1 mile southeast of Lovington, New Mexico.

**CASE 11676:** **Application of Manzano Oil Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Wolfcamp formation in the N/2 SW/4 of Section 11, Township 16 South, Range 36 East. Said unit is to be dedicated to its "SV" Chipshot Well No. 1 which has been drilled at a previously approved unorthodox well location 2164 feet from the South line and 1362 feet from the West line (Unit K) of said Section 11. Also to be considered will be the costs of drilling and completing said 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 said well. Said area is located approximately 1 mile southeast from Lovington, New Mexico.

**CASE 11668:** (Continued from December 5, 1996, Examiner Hearing.)

**Application of Yates Petroleum Corporation for ten unorthodox gas well locations, Pecos Slope-Abo Gas Pool, Chaves County, New Mexico.** Applicant seeks approval of the following unorthodox gas well locations in the Pecos Slope-Abo Gas Pool:

Township 6 South, Range 26 East, NMPM:

Hansel ANH Federal No. 1, Section 7: 2110 feet from the North line and 940 feet from the East line

Township 7 South, Range 26 East, NMPM:

Leeman OC Federal No. 5, Section 18: 2310 feet from the South line and 2310 feet from the East line

Township 6 South, Range 25 East, NMPM:

Thomas LN Federal No. 9, Section 10: 2310 feet from the South line and 1300 feet from the West line

Skinny QO State No. 8, Section 16: 660 feet from the South line and 2310 feet from the West line

Snell QZ No. 2, Section 31: 2310 feet from the North line and 2310 feet from the West line

Powers OL Federal Com. No. 11, Section 33: 385 feet from the North line and 1680 feet from the East line

Teckla MD Federal No. 9, Section 13: 330 feet from the South line and 2200 feet from the East line

Sacra SA No. 12, Section 23: 2310 feet from the South line and 1300 feet from the East line

Red Rock NB Federal No. 7, Section 28: 2310 feet from the South line and 1300 feet from the West line

Sacra SA Com No. 13, Section 34: 2310 feet from the South line and 1500 feet from the East line

Said area is located approximately 35 miles west-southwest of Kenna, New Mexico.

**CASE 11671:** (Continued from December 5, 1996, Examiner Hearing.)

**Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks approval to drill its proposed Stonewall DD State Com Well No. 3 at a point 990 feet from the North and West lines (Unit D) of Section 20, Township 20 South, Range 28 East, to the base of the Morrow formation, said location being unorthodox for any and all gas producing formations from the top of the Wolfcamp to the base of the Morrow, including but not limited to the Burton Flat-Morrow Gas Pool and, if productive, to be dedicated to a 320-acre gas spacing unit consisting of the W/2 of said Section 20. Said location is approximately 10 miles north of Carlsbad, New Mexico.

**CASE 11677:** **Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 20, Township 20 South, Range 28 East, Eddy County, forming a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, which presently may include but is not necessarily limited to the Burton Flat-Morrow Gas Pool and the Undesignated West Burton Flat-Atoka Gas Pool. Said unit is to be dedicated to its Stonewall AQK State Com Well No. 1 to be drilled and completed at an unorthodox well location 990 feet from the north and east lines (Unit A) of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Yates Petroleum Corporation as the operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 11 miles east-southeast of Lakewood, New Mexico.

**CASE 11678:** **Application of Burlington Resources Oil & Gas Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Rhodes-Yates Seven Rivers Gas Pool underlying the SW/4 of Section 23, Township 26 South, Range 37 East, Lea County, forming a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent, including but not limited to the Rhodes-Yates Seven Rivers Gas Pool. Said unit is to be dedicated to Burlington Resources Oil & Gas Company's Rhodes "23" Federal Com Well No. 1 which is to be drilled at a standard gas well location. 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 risk involved in drilling and completing said well. Said well is located approximately 5 miles south-southwest of Jal, New Mexico.

**CASE 11650:** (Readvertised)

Application of Texaco Exploration & Production Inc. for amendment of Division Order No. R-5530, as amended, to increase injection pressures in its Central Vacuum Unit Pressure Maintenance Project Area, authorize a tertiary recovery project by the injection of carbon dioxide and to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a tertiary recovery project in its Central Vacuum Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations in the Vacuum-Grayburg-San Andres Pool. The Central Vacuum Unit Pressure Maintenance Project encompasses portions of Sections 25 and 36 of Township 17 South, Range 34 East; Sections 30 and 31 of Township 17 South, Range 35 East; Section 12 of Township 18 South, Range 34 East; and Sections 6 and 7 of Township 18 South, Range 35 East. Applicant also seeks to increase the approved surface injection pressure for water in this project area to 1500 pounds and establish a maximum surface injection pressure for carbon dioxide of 1900 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located approximately 2 miles south of Buckeye, New Mexico.

**CASE 11656:** (Continued from December 5, 1996, Examiner Hearing.)

Application of Texaco Exploration and Production, Inc. for compulsory pooling, a high angle/horizontal directional drilling pilot project, and special operating rules therefor, Lea County, New Mexico. Applicant seeks to establish a high angle/horizontal directional drilling pilot project in the Rhodes-Yates Seven Rivers Gas Pool within a standard 160-acre gas spacing and proration unit comprising the SW/4 of Section 23, Township 26 South, Range 37 East, whereby the extent of the wellbore for its proposed Rhodes "23" Federal Com Well No. 1 is to be limited to a target window no closer than 660 feet to any boundary of the project area/proration unit. Further, the applicant seeks an order pooling all mineral interests within the Rhodes-Yates Seven Rivers Gas Pool underlying the aforementioned 160-acre project area/proration unit. Also to be considered will be the cost of drilling and completing the Rhodes "23" Federal Com Well No. 1 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 5 miles south-southwest of Jal, New Mexico.

**CASE 11679:** Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 3, Township 18 South, Range 28 East, Eddy County, forming a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, which presently may include but is not necessarily limited to the South Empire-Morrow Gas Pool, the North Empire-Atoka Gas Pool and the South Empire-Wolfcamp Gas Pool, and forming a standard 160-acre gas spacing and proration unit underlying the NW/4 of said Section 3 for any and all formations/pools developed on 160-acre gas spacing, and forming a 40-acre spacing unit underlying the SE/4 NW/4 of said Section 3 for any and all formations and/or pools spaced on 40-acre spacing. Said unit is to be dedicated to its Helbing 3 State Com Well No. 1 to be drilled and completed at a standard well location in Unit F of said Section 3. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 12 miles southeast of Lakewood, New Mexico.

**CASE 11547:** (Continued from October 17, 1996, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C., for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, in all formations developed on 320-acre spacing, underlying the E/2 of Section 11, Township 17 South, Range 25 East. Said unit is to be dedicated to the Eagle Creek 11 Com Well No. 1 to be drilled at a location 1980 feet from the South and East lines 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 approximately 2 miles west of Artesia, New Mexico.



**CASE 11680:** Application of Richardson Operating Company for compulsory pooling and unorthodox well location, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SE/4 of Section 15, Township 29 North, Range 13 West, forming a standard 160-acre spacing and proration unit to be dedicated to it's ROPCO 15 GW PC Well No. 2 which is to be located at an unorthodox gas well location 476 feet from the South line and 1800 feet from the East line (Unit O) of said Section 15 for production from the Fulcher Kutz-Pictured Cliffs Gas Pool or the West Kutz-Pictured Cliffs Gas Pool. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefrom, as well as actual operating costs and charges for supervision, and the designation of applicant as the operator of the well. Said well is located near the intersection of the Bloomfield Highway and Carlton Avenue within the City of Farmington, New Mexico.

**CASE 11681:** Application of Richardson Operating Company for compulsory pooling, downhole commingling and an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the E/2 of Section 15, Township 29 North, Range 13 West, forming standard 160-acre spacing and 320-acre spacing and proration units, respectively. Said units are to be dedicated to its ROPCO 15 GW "A" PC, "B" FC Well No. 1 which is to be located at an unorthodox gas well location 2171 feet from the North line and 775 feet from the East line (Unit H) of said Section 15 for downhole commingled production from the Fulcher Kutz-Pictured Cliffs Gas Pool or the West Kutz-Pictured Cliffs Gas Pool and the Basin-Fruitland Coal Gas Pool. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefrom, as well as actual operating costs and charges for supervision, and the designation of applicant as the operator of the well. Said well is located near the intersection of US Highway 64 and Meadow View Drive within the City of Farmington, New Mexico.

**CASE 11562:** (Continued from November 21, 1996, Examiner Hearing.)

**Application of Shahara Oil Corporation for statutory unitization, Lea County, New Mexico.** Applicant seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests from the surface of the ground to a lower limit of 5500 feet below the surface of those lands underlying its proposed Shahara State 16 Unit Area encompassing some 320 acres, more or less, of state lands comprising the W/2 of Section 16, Township 17 South, Range 33 East. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investments, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to unit voting procedures, selection, removal or substitution of the unit operator, and time of commencement and termination of unit operations. Said unit area is located approximately 6 miles east-southeast of Maljamar, New Mexico.

**CASE 11602:** (Continued from November 21, 1996, Examiner Hearing.)

**Application of Bass Enterprises Production Company for approval of the expansion of the Atoka Participating Area in the James Ranch Unit, Eddy County, New Mexico.** Applicant seeks approval of the third expansion of the participating area for the Atoka formation in the James Ranch Unit Area including 1,683.13 acres, more or less, located in portions of Sections 35 and 36 of Township 22 South, Range 30 East, and portions of Sections 5, 6, 8, and 17 of Township 23 South, Range 31 East. Said unit is located approximately 15 miles east of Carlsbad, New Mexico.

**CASE 11603:** (Continued from November 21, 1996, Examiner Hearing.)

**Application of Bass Enterprises Production Company for approval of the expansion of the Atoka Participating Area in the James Ranch Unit, Eddy County, New Mexico.** Applicant seeks approval of the fourth expansion of the participating area for the Atoka formation in the James Ranch Unit Area including 238.54 acres, more or less, located in portions of Section 12, Township 22 South, Range 30 East, and portions of Section 7, Township 22 South, Range 31 East. Said unit is located approximately 15 miles east of Carlsbad, New Mexico.

**CASE 11604:** (Continued from December 5, 1996, Examiner Hearing.)

**Application of Sunco Trucking Water Disposal Company for a show cause hearing as to why it should not be fined for violations of Oil Conservation Division Rule 711, San Juan County, New Mexico.** Applicant seeks a hearing to show cause to the Oil Conservation Division why applicant should not be fined \$5,000.00 for violations of the conditions of its Rule 711 permit.

**CASE 11666:** (Continued from December 5, 1996, Examiner Hearing.)

**Application of InterCoast Oil and Gas Company for compulsory pooling and unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 20, Township 20 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, including but not limited to the Burton Flat-Morrow Gas Pool and the Undesignated West Burton Flat-Atoka Gas Pool. Said unit will be dedicated to its InterCoast State 20 Well No. 1 to be drilled at an unorthodox location 990 feet from the North line and 990 feet from the East line (Unit A) 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 10 miles east-southeast of Locked, New Mexico.

**CASE 11682:** 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 Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Abo production and designated as the Antelope Sink-Abo Gas Pool. The discovery well is the Kaiser Francis Oil Company Antelope Federal Well No. 1 located in Unit F of Section 22, Township 18 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 23 EAST, NMPM

Section 22: NW/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Abo production and designated as the West Antelope Sink-Abo Gas Pool. The discovery well is the Heartland Energy Corporation Sun Texas State Well No. 1 located in Unit J of Section 24, Township 18 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 21 EAST, NMPM

Section 24: SE/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Northeast Collins Ranch-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Niles "KA" Com. Well No. 1 located in Unit N of Section 24, Township 17 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM

Section 24: S/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Cottonwood Spring-Morrow Gas Pool. The discovery well is the Llano Land & Exploration Company Federal "CU" Well No. 1 located in Unit G of Section 35, Township 25 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 25 EAST, NMPM

Section 35: N/2

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the North Duffield-Strawn Gas Pool. The discovery well is the UMC Petroleum Corporation Sink Federal Well No. 2 located in Unit N of Section 9, Township 16 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM

Section 9: S/2

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Eagle Creek-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Divide "JW" Federal Com. Well No. 1 located in Unit K of Section 4, Township 17 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM

Section 4: W/2

- (g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production and designated as the East Empire-Yeso Pool. The discovery well is the Marbob Energy Corporation Barnsdall Federal Well No. 1 located in Unit B of Section 27, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 27: NE/4

- (h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the North Penasco Draw-Upper Pennsylvanian Gas Pool. The discovery well is the Yates Petroleum Corporation Scout "EH" Federal Com. Well No. 2 located in Unit I of Section 27, Township 18 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM

Section 27: E/2

- (i) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Abo production and designated as the North Runyan Ranch-Abo Gas Pool. The discovery well is the Heartland Energy Corporation State "AR" Well No. 1 located in Unit F of Section 31, Township 18 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 23 EAST, NMPM

Section 31: NW/4

- (j) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Devonian production and designated as the Southwest Twin Lakes-Devonian Pool. The discovery well is the Marbob Energy Corporation McClintock Fee Well No. 1 located in Lot 2 of Section 30, Township 9 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 28 EAST, NMPM

Section 30: NE/4

- (k) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 22: S/2

- (l) EXTEND the South Carlsbad-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 17: S/2

- (m) EXTEND the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 16: NW/4

Section 17: N/2

- (n) EXTEND the Cedar Canyon-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 28: SW/4

- (o) EXTEND the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 12: E/2

Section 26: S/2

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 33: NE/4



TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM

Section 2: SW/4

Section 11: NW/4

- (p) EXTEND the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mex.co, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 19: S/2

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM

Section 13: N/2

- (q) EXTEND the Fenton-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 28: E/2

- (r) EXTEND the East Loving-Brushy Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 12: S/2

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM

Section 7: SW/4

- (s) EXTEND the Sand Tank-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 31: SE/4

Section 32: S/2

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 6: E/2

- (t) EXTEND the Shugart-Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 8: NE/4

- (u) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 26: W/2

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.