

**CASE 11684:** (Continued from January 23, 1997, 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 underlying the E/2 of Section 4, 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 gas 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 NE/4 of said Section 4 for any and all formations/pools developed on 160-acre gas spacing, and forming a 40-acre spacing unit underlying the SE/4 NE/4 of said Section 4 for any and all formations and/or pools spaced on 40-acre spacing. Said unit is to be dedicated to its Hummer "4" State Com Well No. 1 to be drilled and completed at a standard well location in Unit H of said Section 4. 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 said well. Said unit is located approximately 14 miles southeast of Artesia, New Mexico.

**CASE 11710:** **Application of Enron Oil & Gas Company 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 36, Township 17 South, Range 29 East, as follows: the W/2 for all formations developed on 320-acre spacing; the SW/4 for all formations developed on 160-acre spacing; the E/2 SW/4 for all formations developed on 80-acre spacing; and the NE/4 SW/4 for all formations developed on 40-acre spacing. Applicant proposes to dedicate these pooled units to its Sand Tank "36" State Com Well No. 1 to be drilled at a standard location 1980 feet from the South and West lines (Unit K) of said Section 36. 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 3 miles southwest of Loco Hills, New Mexico.

**CASE 11711:** **Application of Enron Oil & Gas Company for amendment of Division Order No. R-10658, Lea County, New Mexico.** Applicant seeks the amendment of Division Order No. R-10658 which pooled all mineral interests from the surface to the base of the Morrow formation, South Bell Lake-Morrow Gas Pool, underlying the E/2 of Section 7, Township 24 South, Range 34 East for all formations developed on 320-acre spacing to provide for a new well location for its proposed Bell Lake Unit Well No. 1 of 1980 feet from the South and East lines (Unit J) of said Section 7. Said area is located approximately 20 miles southwest of Eunice, New Mexico.

**CASE 11676:** (Continued from December 5, 1996, Examiner Hearing.)

**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 11688:** (Continued from January 9, 1997, Examiner Hearing.)

**Application of Manzano Oil Corporation for compulsory pooling and an unorthodox well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests 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 SW/4 SW/4 from the surface to the base of the Atoka formation of Section 11, Township 16 South, Range 36 East. Said unit is to be dedicated to its "SV" Chipshot Well No. 2 which will be drilled at an unorthodox well location 1000 feet from the South line and 467 feet from the West line (Unit M) 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 area is located approximately 1 mile southeast of Lovington, New Mexico.

8:15 AM - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 4-97 and 5-97 are tentatively set for February 6, 1997 and February 20, 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 11706:** Application of Yates Energy Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests for those intervals comprising the Quail (Queen) Pool underlying the NE/4 NW/4 of Section 18, Township 19 South, Range 35 East, forming a standard 40-acre oil spacing and proration unit. Said unit is dedicated to its Reddy-Gulf State Well No. 2 which will be recompleted in an attempt to return the well to a producing status. Said well is located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 18. Also to be considered will be the costs of recompleting 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 recompleting said well. Said unit is located approximately 16 miles northeast of Halfway, New Mexico.

**CASE 11707:** Application of Yates Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests for those intervals comprising the Artesia Queen-Grayburg-San Andres Pool underlying the SW/4 NE/4 of Section 1, Township 18 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit. Said unit is dedicated to its Fulton Collier State Well No. 1 which will be recompleted in an attempt to return the well to a producing status. Said well is located 1980 feet from the North line and 1650 feet from the East line (Unit G) of said Section 1. Also to be considered will be the costs of recompleting 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 recompleting said well. Said unit is located approximately 9 miles west-southwest of Loco Hills, New Mexico.

**CASE 11685:** (Continued from January 9, 1997, Examiner Hearing.)

Application of Burlington Resources Oil & Gas Company for the establishment of a downhole commingling reference case for its Canyon Largo Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, Rio Arriba County, New Mexico. Applicant, in accordance with Division Rule 303.E, seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland Coal, Chacra, Gallup and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the Canyon Largo Unit located in Townships 24 and 25 North, Ranges 6 and 7 West. The center of said area is located approximately 9 miles northwest of the El Paso Natural Gas Plant-Lindreth Station on New Mexico State Highway 403.

**CASE 11708:** Application of Phillips Petroleum Company for the establishment of a downhole commingling reference case for its San Juan 29-5 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, San Juan County, New Mexico. Applicant in accordance with Division Rule 303.E seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 29-5 Unit located in Township 29 North, Range 5 West. The center of said area is located approximately 1 mile east of the Gobernador Camp, New Mexico.

**CASE 11709:** Application of Phillips Petroleum Company for the establishment of a downhole commingling reference case for its San Juan 30-5 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, San Juan County, New Mexico. Applicant in accordance with Division Rule 303.E seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 30-5 Unit located in Township 30 North, Range 5 West. The center of said area is located approximately 7 miles north-northwest of the Gobernador Camp, New Mexico.

**CASE 11542:** (Continued from December 5, 1996, Examiner Hearing.)

Application of Meridian Oil Inc. for compulsory pooling and an unorthodox gas well location, San Juan County, New Mexico. applicant seeks an order pooling certain mineral interests in the Blanco Mesaverde Pool underlying Lots 1, 2, 7, 8, 9, 10, 15 and 16 (the E/2 equivalent) of Section 23, Township 31 North, Range 9 West, forming a 313.63-acre gas spacing and proration unit. Said unit is to be dedicated to Meridian Oil Inc.'s proposed Seymour Well No. 7A which is an "Infill Blanco-Mesaverde Well" to be drilled at an unorthodox gas well location 1615 feet from the South line and 2200 feet from the East line of said Section 23 to test for production from the Mesaverde formation. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling and completing, the allocation of those costs and income therefrom as well as actual operating costs and charges for supervision, a charge for risk involved in drilling and completing said well and the designation of applicant as the operator of the well. Said well is located approximately 9 miles southeast of Cedar Hills, New Mexico.

**CASE 11638:** Application of Citation Oil & Gas Corp. for two unorthodox gas well locations and for simultaneous dedication, Lea County, New Mexico. Applicant seeks approval of two unorthodox gas well locations in the Eumont Gas Pool for its existing: (i) Devonian State Well No. 2 (API No. 30-025-04729), located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 20, Township 21 South, Range 36 East; and, (ii) Devonian State Well No. 3 (API No. 30-025-04730), located 660 feet from the North and East lines (Unit A) of said Section 20. Applicant also seeks approval for Eumont gas production from both wells to be simultaneously dedicated to the existing 320-acre non-standard gas spacing and proration unit comprising the E/2 of said Section 20 (established by Division Administrative Order NSP-488, dated May 11, 1959), which is currently dedicated to its Devonian State Com Well No. 1 (API No. 30-025-04728), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 20. Further, the applicant at the time of the hearing shall review the status of all other Eumont production, both oil and gas, within the E/2 of said Section 20 and the status and/or effect of Division Administrative Order NSL-3646(SD), dated April 3, 1996, with respect to this application. Said unit is located approximately 2.5 miles south-southeast of Oil Center, New Mexico.

**CASE 11688:** Application of Manzano Oil Corporation for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests 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 SW/4 SW/4 from the surface to the base of the Atoka formation of Section 11, Township 16 South, Range 36 East. Said unit is to be dedicated to its "SV" Chipshot Well No. 2 which will be drilled at an unorthodox well location 1000 feet from the South line and 467 feet from the West line (Unit M) 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 area is located approximately 1 mile southeast of Lovington, New Mexico.

**CASE 11689:** Application of Nearburg Exploration Company, L.L.C., for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, Hat-Mesa Morrow Gas Pool, underlying the E/2 of Section 12, Township 21 South, Range 32 East. Said unit is to be dedicated to its Minis 12 Federal Com Well No. 1 to be drilled to an unorthodox well location 990 feet from the North line and 660 feet from the East line (Unit A) of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6 miles southeast of the Intersection of Highway 180 and 176.

**CASE 11690:** Application of Nearburg Producing Company, L.L.C. for an unorthodox bottomhole location and directional drilling, Eddy County, New Mexico. Applicant seeks authorization to directionally drill its McKittrick Federal 11 Well No. 1-Y from a surface location 2310 feet from the South line and 960 feet from the East line to an unorthodox bottomhole location 2550 feet from the North line and 400 feet from the East line (Unit H) of Section 11, Township 22 South, Range 24 East, in the Canyon formation, Undesignated Indian Basin-Upper Pennsylvanian Associated Pool. The N/2 of said Section 11 shall be the project area for this well which will be simultaneously dedicated to the new well and the existing Chama Federal Well No. 1 located 780 feet from the North line and 1350 feet from the East line (Unit B) of Section 11. Said area is located approximately 12 miles west of Carlsbad, New Mexico.

**CASE 11649:** (Continued from December 5, 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 in all formations developed on 320-acre spacing underlying the N/2, in all formations developed on 160-acre spacing underlying the NE/4, in all formations developed on 80-acre spacing underlying the N/2 NE/4, and in all formations developed on 40-acre spacing underlying the NW/4 NE/4 from the surface to the base of the Morrow formation, Cemetery-Morrow Gas Pool, of Section 26, Township 19 South, Range 25 East. Said units are to be dedicated to its Morris 26B Well No. 1 which will be drilled at a standard location 660 feet from the North line and 1650 feet from the East line (Unit B) of said Section 26. 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 4 ½ miles west of Lakewood, New Mexico.

**CASE 11691:** Application of Yates Petroleum Corporation 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 6, Township 18 South, Range 30 East. Applicant proposes to dedicate this pooled unit to its Cerros Locos AQM Federal Com Well No. 1 to be drilled at a standard location 2310 feet from the North line and 840 feet from the West line (Unit E) of said Section 6 to test any and all formations to the base of Morrow formation, Sand Tank 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 said well. Said area is located approximately 4 miles southwest of Loco Hills, New Mexico.

**DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 9, 1997**

8:15 AM - 2040 South Pacheco  
Santa Fe, New Mexico

Dockets Nos 3-97 and 4-97 are tentatively set for January 23, 1997 and February 6, 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 11683:** Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its proposed Chevron "32" State Com Well No. 1 at a point 1090 feet from the North line and 990 feet from the East line (Unit A) of Section 32, Township 17 South, Range 27 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 Logan Draw-Morrow Gas Pool, Logan Draw-Cisco Canyon Gas Pool, Scoggin Draw-Morrow Gas Pool, Chalk Bluff-Wolfcamp Pool, or Red Lake-Pennsylvanian Gas Pool, and, if productive, to be dedicated to a 320-acre gas spacing unit consisting of the N/2 of said Section 32. Said location is approximately 7 miles southeast of Artesia, New Mexico.

**CASE 11684:** 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 E/2 of Section 4, 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 gas 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 NE/4 of said Section 4 for any and all formations/pools developed on 160-acre gas spacing, and forming a 40-acre spacing unit underlying the SE/4 NE/4 of said Section 4 for any and all formations and/or pools spaced on 40-acre spacing. Said unit is to be dedicated to its Hummer "4" State Com Well No. 1 to be drilled and completed at a standard well location in Unit H of said Section 4. 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 said well. Said unit is located approximately 14 miles southeast of Artesia, New Mexico.

**CASE 11638:** (Continued from November 7, 1996, Examiner Hearing.)

Application of Citation Oil & Gas Corp. for two unorthodox gas well locations and for simultaneous dedication, Lea County, New Mexico. Applicant seeks approval of two unorthodox gas well locations in the Eumont Gas Pool for its existing: (i) Devonian State Well No. 2 (API No. 30-025-04729), located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 20, Township 21 South, Range 36 East; and, (ii) Devonian State Well No. 3 (API No. 30-025-04730), located 660 feet from the North and East lines (Unit A) of said Section 20. Applicant also seeks approval for Eumont gas production from both wells to be simultaneously dedicated to the existing 320-acre non-standard gas spacing and proration unit comprising the E/2 of said Section 20 (established by Division Administrative Order NSP-488, dated May 11, 1959), which is currently dedicated to its Devonian State Com Well No. 1 (API No. 30-025-04728), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 20. Further, the applicant at the time of the hearing shall review the status of all other Eumont production, both oil and gas, within the E/2 of said Section 20 and the status and/or effect of Division Administrative Order NSL-3646(SD), dated April 3, 1996, with respect to this application. Said unit is located approximately 2.5 miles south-southeast of Oil Center, New Mexico.

**CASE 11685:** Application of Burlington Resources Oil & Gas Company for the establishment of a downhole commingling reference case for its Canyon Largo Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, Rio Arriba County, New Mexico. Applicant, in accordance with Division Rule 303.E, seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland Coal, Chacra, Gallup and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the Canyon Largo Unit located in Townships 24 and 25 North, Ranges 6 and 7 West. The center of said area is located approximately 9 miles northwest of the El Paso Natural Gas Plant-Lindreth Station on New Mexico State Highway 403.

**CASE 11686:** Application of Louis Dreyfus Natural Gas Corp. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the W/2 of Section 29, Township 22 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit underlying the W/2 of said Section 29 for any and all formations and/or pools spaced on 320-acre spacing, including but not limited to the Happy Valley-Morrow Gas Pool, Undesignated South Happy Valley-Atoka Gas Pool, Undesignated Sheep Draw-Strawn Gas Pool and Undesignated Southeast Carlsbad-Wolfcamp Gas Pool; and the NW/4 of said Section 29 for any and all pools or formations spaced on 160 acres. Said unit(s) is to be dedicated to its McKittrick "29" Well No. 1 to be drilled and completed at a standard well location in said Section 29. 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 and completing said well. Said unit is located approximately 6 miles southwest of Carlsbad, New Mexico.