

DOCKET: EXAMINER HEARING - THURSDAY - MAY 28, 1998

**8:15 A.M. - 2040 South Pacheco
Santa Fe, New Mexico**

Dockets Nos. 15-98 and 16-98 are tentatively set for June 11 and June 25, 1998. 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 11973: (Continued from April 30, 1998, Examiner Hearing)

Application of Shahara Oil, L.L.C. for a waterflood project and qualification for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" for said project, Eddy County, New Mexico. Applicant seeks approval to institute a waterflood project in the Loco Hills-Queen-Grayburg-San Andres Pool on its Beeson "F" Federal lease (U. S. Government lease No. LC-060529), comprising portions of Sections 29 and 31, Township 17 South, Range 30 East, by the injection of water through 12 certain existing wells. Applicant further seeks to qualify this project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). The proposed project area is located approximately two miles southwest of Loco Hills, New Mexico.

CASE 11504: (Reopened)

In the matter of Case No. 11504 being reopened pursuant to the provisions of Division Order No. R-10597 which order promulgated special pool rules and regulations for the Vest Ranch-Upper Pennsylvanian Pool, Chaves County, New Mexico, including a provision for 80-acre spacing. Operators in the subject pool may appear and show cause why the temporary special pool rules for the Vest Ranch-Upper Pennsylvanian Pool should not be rescinded and said pool not be developed either on statewide 40-acre spacing or with an optional second well on each 80-acre unit.

CASE 11978: 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 Delaware formation underlying the SE/4 NW/4 for all formations developed on 40-acre spacing in Section 5, Township 24 South, Range 33 East. Said unit is to be dedicated to its Tumbleweed "5" State Well No. 1 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 operator of the well and a charge for the risk involved in drilling said well. Said area is located approximately 25 miles northwest of Jal, New Mexico.

CASE 11979: Application of Texaco Exploration and Production Inc. for a non-standard gas spacing and proration unit or, in the alternative, for compulsory pooling, Lea County, New Mexico. Applicant seeks authority to establish an 80-acre non-standard gas spacing and proration unit comprising the E/2 NW/4 of Section 10, Township 20 South, Range 37 East (which is located approximately three miles southeast of Monument, New Mexico), in the Undesignated Skaggs-Abo Gas Pool. Said unit is to be dedicated to its existing E.H.B. Phillips "C" Well No. 2 (API No. 30-025-33989) located at a standard gas well location 1980' FNL - 660' FEL (Unit H) of Section 10. IN THE ALTERNATIVE, applicant seeks an order pooling all mineral interests in the Undesignated Skaggs-Abo Gas Pool underlying the NW/4 of said Section 10, thereby forming a standard 160-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to the above-described E.H.B. Phillips "C" Well No. 2. Also to be considered will be the cost of drilling 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.