



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

Dockets Nos. 2-99 and 3-99 are tentatively set for January 21, and February 4, 1999. 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 12092:** Continued from December 17, 1998, Examiner Hearing.

**Application of Corinne B. Grace d/b/a Grace Oil Company for compulsory pooling or, in the alternative for an order declaring Division Order No. R-4034 applicable, 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 2, Township 23 South, Range 26 East, and in the following manner: the S/2 thereby forming 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, which presently includes but is not necessarily limited to the Undesignated South Carlsbad-Canyon Gas Pool, South Carlsbad-Strawn Gas Pool, South Carlsbad-Atoka Gas Pool, and South Carlsbad-Morrow Gas Pool; the SE/4 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; and the SE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/o pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Happy Valley-Delaware Pool. These units are to be dedicated to the existing Humble Grace Com. Well No. 1 (API No. 30-015-20350) located 990 feet from the South line and 660 feet from the East line (Unit P) of Section 2. Also to be considered will be the costs of re-entering and the recompletion of this 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 the risk involved in the re-entry of this well. IN THE ALTERNATIVE, the applicant seeks an order from the Division that its Order No. R-4034, issued in Case No. 4398 and dated October 2, 1970 be declared applicable and relevant under the circumstances involving this well and in full force and effect. By Order No. R-4034, the Division pooled, in part, all mineral interests in the Strawn, Atoka, and Morrow formations underlying the S/2 of Section 2, in which the subject well was dedicated. This well is located south of Carlsbad, New Mexico approximately 1/4 mile east of U. S. Highway 62/180 between Derrick Street and Haston Road.

**CASE 12108:** **Application of Southwestern Energy Production Company 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 underlying the W/2 of Section 9, Township 23 South, Range 34 East, 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 that vertical extent, including the Undesignated North Antelope Ridge-Wolfcamp Gas Pool, Undesignated Antelope Ridge-Strawn Gas Pool, Undesignated Antelope Ridge-Atoka Gas Pool, and Undesignated North Bell Lake-Morrow Gas Pool. The unit is to be dedicated to its Maucho State 9 Well No. 1, to be drilled at an orthodox gas well location in the SW/4 NW/4 (Unit E) of Section 9. Also to be considered will be the cost of drilling and completing this 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 the well. The unit is located approximately 18 miles southwest of Oil Center, New Mexico.

**CASE 12097:** Continued from December 17, 1998, Examiner Hearing.

**Application of Merrion Oil Corporation for compulsory pooling, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 of Section 2, Township 26 North, Range 13 West, thereby forming a standard-acre gas spacing and proration unit for this pool. This unit is to be dedicated to its proposed Shank Com Well No. 1 (API No. 30-045029516) to be drilled at a previously approved off-pattern unorthodox coal gas well location 1840 feet from the North and West lines (Unit F) of Section 2 (see Division Administrative Order NSL-4166, dated November 19, 1988). Also to be considered will be the cost of drilling and completing this 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 the well. This unit is located approximately 14 miles south of Farmington, New Mexico.

**CASE 12094:** (Readvertised)

**Application of Manzano Oil Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 40-acre spacing underlying Lot 15, from the surface to the base of the Strawn formation, in irregular Section 3, Township 16 South, Range 36 East. The units are to be dedicated to the proposed Quarry Well No. 1 which will be drilled at a standard location 3526 feet from the South line and 2095 feet from the East line of Section 3. Also to be considered will be the cost of drilling and completing the 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 the well. This area is located within the City of Lovington, New Mexico.

**CASE 12109:** **Application of Cross Timbers Oil Company for an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant seeks approval to drill its proposed Stanolind Gas Com. "D" Well No. 2 at an off-pattern non-standard coal gas well location 790 feet from the South and East lines (Lot 16/Unit P) of Section 17, Township 32 North, Range 12 West, in the Basin-Fruitland Coal (Gas) Pool. Lots 9 through 16 (N/2 equivalent) of Section 17 are to be dedicated to this well in order to form a standard 302.63-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool. The well is located approximately five miles east-northeast of La Plata, New Mexico.