

- CASE 10876:** Application of Klabzuba Oil and Gas for an unorthodox oil well location, Chaves County, New Mexico. Applicant seeks authority to drill its White "B" Well No. 1 at an unorthodox oil well location 611 feet from the South line and 1297 feet from the East line (Unit P) of Section 1, Township 10 South, Range 27 East, in the Devonian formation, Undesignated Devonian Oil Pool. The SE/4 SE/4 of said Section 1 should be dedicated to the well. Said area is located approximately 4 miles west of Silman Lake.
- CASE 10877:** Application of Klabzuba Oil and Gas for an unorthodox oil well location, Chaves County, New Mexico. Applicant seeks authority to drill its White "A" Well No. 1 at an unorthodox oil well location 598 feet from the North line and 1308 feet from the East line (Unit A) of Section 12, Township 10 South, Range 27 East, in the Devonian formation, Race Track-Devonian Pool. The NE/4 NE/4 of said Section 12 should be dedicated to the well. Said area is located approximately 4 miles west of Silman Lake.
- CASE 10878:** Applicant seeks to initiate a horizontal directional drilling pilot project in the Devonian formation, South Crossroads-Devonian Pool, underlying the N/2 N/2, SW/4 NW/4 and SW/4 NE/4 of Section 2, Township 15 South, Range 37 East. Applicant proposes to reenter its existing wells in the project area, kick-off from vertical in a direction to be determined while drilling and build angle at an appropriate rate to vertically and horizontally traverse the proposed project area. Applicant further seeks the adoption of special operating provisions and rules within the project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 100 feet to any boundary of the project area; for special project allowables; and an administrative procedure for approval of additional horizontal wellbores in the project area. Said project is located approximately 7 miles northeast of Lovington, New Mexico.
- CASE 10879:** Application of Texaco Exploration and Production Inc. for downhole commingling, Lea County, New Mexico. Applicant seeks approval to downhole commingle Jalmat and Langlie Mattix oil production within seven certain wells (two existing and five to be drilled) in its Cooper Jal Unit located in Sections 13 and 24, Township 24 South, Range 36 East and Section 19, Township 24 South, Range 37 East. Said area is located approximately six miles north by west of Jal, New Mexico.
- CASE 10880:** Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks authority to drill its Huerfano Unit Well No. 504 at an unorthodox ("off-pattern") coal gas well location 1495 feet from the South line and 1740 feet from the East line (Unit J) of Section 22, Township 26 North, Range 9 West, to be dedicated to a standard 320-acre spacing unit consisting of the S/2 of said Section 22. Said location is approximately 7 miles north-northeast from the Blanco Trading Post, New Mexico.
- CASE 10881:** Application of Conoco Inc. to amend Rule 5(b) and Rule 6 of the Special Rules and Regulations for the South Dagger Draw-Upper Pennsylvanian Pool (Division Order No. R-5353), and pool extension, Eddy County, New Mexico. Applicant seeks an amendment to Rule 5(b) of Order No. R-5353 thereby authorizing simultaneous dedication of both gas wells and oil wells to the same spacing unit and an amendment to Rule 6 of Order R-5353 to reduce the limiting gas-oil ratio to 4,500 cubic feet of gas for each barrel of oil produced in said pool. Applicant further seeks the extension of said pool to include the E/2 of Section 16, E/2 of Section 34, and all of Section 35, Township 20 South, Range 24 East and all of Sections 34 and 35, Township 20-1/2 South, Range 23 East. The approximate center of said pool is located approximately 10 miles southeast of Hope, New Mexico.
- CASE 10888:** (Readvertised)
- Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located north of Highway 180 some 4.75 miles northeast of the intersection of Highways 176 and 180 and are approximately 2.75 miles northeast of Laguna Gatuna, New Mexico.
- CASE 10882:** Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico. Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

**CASE 10871: (Readvertised)**

Application of Santa Fe Energy Partners, L.P. for compulsory pooling and to shut-in a producing well, and for a non-standard spacing and proration unit, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 10, Township 20 South, Range 24 East, forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the South Dagger Draw-Upper Pennsylvanian Associated Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location within said W/2 proration unit. 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. Applicant also requests that the existing Yates Petroleum Corporation Judith "AJ" Fed. Well No. 1, located 660 feet from the South and East lines of Section 9, Township 20 South, Range 24 East, be shut-in pending the drilling and completion of applicant's proposed well. Further, applicant requests approval for a non-standard spacing and proration unit in the South Dagger Draw-Upper Pennsylvanian Associated Pool for the proposed Ocotillo "ACI" Fed. Com Well No. 2 to be located at a standard location in the SE/4 of Section 10, Township 20 South, Range 24 East. Said area is located approximately 2 miles west of Seven Rivers, New Mexico.

**CASE 10848: (Continued from November 4, 1993, Examiner Hearing.)**

Application of Conoco Inc. and Marathon Oil Company for exceptions to Rule 5(b) of the special rules and regulations of the South Dagger Draw-Upper Pennsylvanian Pool as promulgated by Division Order No. R-5353, as amended, or in the alternative, for the creation of a new pool with the adoption of special rules for said pool, Eddy County, New Mexico. Applicants seek exceptions to Rule 5(b) of the Special Rules and Regulations for the South Dagger Draw-Upper Pennsylvanian Pool as promulgated by Order No. R-5353 as amended, thereby authorizing simultaneous dedication of acreage to both gas wells and oil wells within Sections 34, 35, and 36, Township 20 South, Range 24 East and Sections 34, 35, and 36, Township 20-1/2 South, Range 23 East. In the alternative, applicants seek the contraction of the South Dagger Draw-Upper Pennsylvanian Pool and the concomitant creation of a new pool comprising the above-described acreage with the adoption of special rules and regulations including those set forth in Order No. R-5353 but modified to allow simultaneous dedication of spacing units to multiple gas and oil wells and establishment of appropriate allowables therefor. Said area is located approximately 22 miles southeast of Hope, New Mexico.

**CASE 10878:** (Readvertised - Continued from December 2, 1993, Examiner Hearing.)

Application of Kinlaw Oil Corporation for a leasewide high angle/horizontal directional drilling pilot project and for the promulgation of special operating rules therefor, Lea County, New Mexico. Applicant seeks to establish a high angle/horizontal directional drilling pilot project in the Denton-Devonian Pool within its Mexico "F" (State) Lease comprising Lots 1 through 4 (N/2 N/2 equivalent) and the SW/4 NE/4 and SW/4 NW/4 of Section 2, Township 15 South, Range 37 East. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said lease including provisions for administrative authorization for horizontal/high angle wellbores, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, and the assignment a special oil allowable or formula for the project area. The Mexico "F" Lease is located approximately 3.5 miles south southeast of Prairieview, New Mexico.

**CASE 10856:** (Continued from December 2, 1993, Examiner Hearing.)

Application of Hanson Operating Company, Inc., for a high angle/horizontal directional drilling pilot project and for special operating rules therefore, Roosevelt County, New Mexico. Applicant seeks authority to initiate a short-radius high angle/horizontal directional drilling pilot project in the NW/4 SE/4 of Section 17, Township 8 South, Range 37 East, being a standard 40-acre oil spacing and proration unit in the Undesignated North Allison-San Andres Pool. Applicant proposes to utilize its existing Tuxedo Federal Well No. 1 located 1990 feet from the South line and 2004 feet from the East line (Unit J) of said Section 17 by kicking-off from vertical at an approximate depth of 4825 feet, build angle to approximately 90 degrees with a short radius curve and continue with a horizontal drainhole in said pool. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of any drainhole in said project area to within 330 feet of the outer boundary of said 40-acre unit. Said project area is located approximately 9.75 miles south by east of Milnesand, New Mexico.

**CASE 10887:** Application of Kaiser-Francis Oil Company for directional drilling, Eddy County, New Mexico. Applicant seeks to test and develop the Undesignated Los Medanos-Delaware and/or Undesignated West Sand Dunes-Delaware Pools underlying the NE/4 of Section 20 and the W/2 NE/4 and NW/4 of Section 21, Township 23 South, Range 31 East, by drilling directional into the ten 40-acre standard oil well spacing and proration units comprising said area from ten various surface locations around its periphery in Sections 16, 17, 20 and 21. Said area is located approximately 5.5 miles northwest of the Lea/Eddy County line on State Highway No. 128.**CASE 10888:** Application of Merrion Oil & Gas Corporation for compulsory pooling and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin Dakota Pool underlying Lots 1 through 8 (N/2 equivalent) of Section 24, Township 27 North, Range 7 West, being a non-standard 352.07 acre gas spacing and proration unit presently dedicated to a well located 1720 feet from the North line and 1000 feet from the East line (Unit H) of said Section 24. The applicant proposes to drill an infill well at a standard gas well location in Lot 3 (NE/4 NW/4 equivalent) of said Section 24 in which said unit is also to be simultaneously dedicated. Also to be considered will be the cost of drilling and completing said infill 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 infill well. Said area is located approximately 20 miles southeast by east of Blanco, New Mexico.**CASE 10748:** (Reopened)

In the matter of Case No. 10748 being reopened upon application of Yates Petroleum Corporation to amend the spacing requirements for the Indian Basin-Upper Pennsylvanian Associated Pool established by Order No. R-9922, Eddy County, New Mexico. Division Order No. R-9922 granted the application of Yates Petroleum Corporation for creation of the Indian Basin-Upper Pennsylvanian Associated Pool and the adoption of temporary Special Rules and Regulations therefor including 320-acre spacing. At this time Yates Petroleum Corporation requests the Division to amend the Special Rules and Regulations for said pool to provide for 160-acre spacing and proration units. Said area is located approximately 2 miles east of Lone Butte.

**CASE 10882:** (Continued from December 2, 1993, Examiner Hearing.)

Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico. Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

**CASE 10889:** In the matter of the hearing called by the Oil Conservation Division on 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 Upper Penn production and designated as the Dagger Draw-Upper Penn., Northwest Gas Pool. The discovery well is the Yates Petroleum Corp. Irish Hills KW State Well No. 3 located in Unit A of Section 2, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 2: N/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Indian Basin-Strawn, Northwest Gas Pool. The discovery well is the Central Resources, Inc. Shell Federal Well No. 1 located in Unit R of Section 6, Township 21 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 6: S/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Livingston Ridge-Atoka, Northeast Gas Pool. The discovery well is the Mitchell Energy Corp. Apache 13 Federal Well No. 1 located in Unit H of Section 13, Township 22 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM

Section 13: E/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Livingston Ridge-Delaware, South Pool. The discovery well is the Devon Energy Corp. Barclay 11G Federal Well No. 7 located in Unit G of Section 11, Township 23 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 11: NE/4

- (e) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Siluro-Devonian production and designated as the Long Arroyo-Siluro Devonian Pool. Further, assign a discovery allowable of approximately 39,655 barrels of oil to the discovery well, the Hanagan Petroleum Corp. Charlie State Well No. 1 located in Unit G of Section 7, Township 13 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 28 EAST, NMPM

Section 7: NE/4

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the McMillan-Atoka, Southwest Gas Pool. The discovery well is the Barbara Fasken Lake McMillan Federal Well No. 1 located in Unit I of Section 30, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM

Section 30: E/2

- (g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Poker Lake-Delaware, Southwest Pool. The discovery well is the Fortson Oil Co. Poker Lake Unit No. 78 located in Unit A of Section 25, Township 24 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM

Section 25: NE/4

- (h) EXTEND the Acme-San Andres, Southeast Pool in Chaves County, New Mexico, to include therein.

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM.

Section 1: SW/4

Section 12: NW/4

**CASE 10111: (Reopened - Continued from December 2, 1993, Examiner Hearing.)**

In the matter of Case 10111 being reopened pursuant to the provisions of Division Order No. R-8170-J, as amended, which order established minimum gas allowables in the Jalmat Gas Pool in Lea County. Operators in said pool may appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Jalmat Gas Pool. This case will be continued to the January 6, 1994, hearing.

**CASE 10866: (Readvertised - Continued from December 16, 1993, Examiner Hearing.)**

**Application of OXY USA, Inc. to amend Division Order No. R-2901 and to either institute a new waterflood project or for waterflood expansion, Lea County, New Mexico.** Applicant seeks to renew its authority, originally granted by Division Order No. R-2901, dated May 4, 1965, to inject water into the Eumont (Yates-Seven Rivers-Queen) Gas Pool within a portion of its East Eumont Unit located in Sections 33 and 34, Township 18 South, Range 37 East and in Sections 3, 4, 9, 10, 15 and 16, Township 19 South, Range 37 East, through 21 certain wells to be converted and one to be drilled. That portion of said Unit Area is covered in this application is located approximately 2 miles west of the Hobbs-Lea County, New Mexico.

**CASE 10867: (Continued from December 16, 1993, Examiner Hearing.)**

**Application of OXY USA Inc. for Enhanced Oil Recovery Project Qualification for the recovered oil tax rate for the East Eumont Unit, Lea County, New Mexico.** Applicant seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Project and Certification for the Recovery Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying the north portion of the East Eumont Unit for the Recovered Oil Tax Rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). The portion of the East Eumont Unit to be included in the project area is as follows: Portions of Sections 33 and 34, Township 18 South, Range 37 East; portions of Sections 3, 4, 9, 10, 15, and 16, Township 19 South, Range 37 East. Said project is located south of Hobbs, New Mexico.

**CASE 10882: (Continued from December 16, 1993, Examiner Hearing.)**

**Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico.** Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

**CASE 10905:** Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface down through and including the Canyon formation underlying the SE/4 of Section 29, Township 19 South, Range 25 East. Said unit is to be dedicated to a well to be drilled at a standard location in the SE/4 of said Section 29 to test any and all formations to the base of the Canyon formation. 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 8 miles west of Lakewood, New Mexico.

**CASE 10906:** Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the SE/4 of Section 29, Township 19 South, Range 25 East, Eddy County, New Mexico, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to its Boyd "X" State Well No. 3 to be drilled and completed at a standard well location. 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 8 miles west of Lakewood, New Mexico.

**CASE 10882:** (Continued from January 6, 1994, Examiner Hearing.)

Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico. Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

**NOTICE:**

***The Gas Proration Hearing To Determine Gas Allowables For April 1994 Through September 1994 Will Be Heard Before The Oil Conservation Commission On March 10, 1994.***

**DOCKET: COMMISSION HEARING - THURSDAY - FEBRUARY 10, 1994**

**9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO  
The Land Commissioner's designee for this hearing will be Jami Bailey and Gary Carlson**

**CASE 10907:** In the matter of the hearing called by the Oil Conservation Division to amend Rules 1111, 1112, and 1115 of its General Rules and Regulations. The Oil Conservation Division seeks to amend its General Rules and Regulations to provide for the filing of Forms C-111, C-112, and C-115, respectively, on the last business day of the month following the month of production and to provide for the imposition of penalties for failure to file timely and accurate reports.

**CASE 10771:** (De Novo - Continued from January 13, 1994, Commission Hearing.)

Application of OXY USA Inc. to authorize the expansion of a portion of its Skelly Penrose "B" Unit Waterflood Project and qualify said expansion for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act," Lea County, New Mexico. Applicant seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovery Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying a portion of its Skelly Penrose "B" Unit Waterflood Project in Sections 4, 5, and 8 of Township 23 South, Range 37 East, Queen (Penrose) formation of the Langlie Mattix Seven Rivers-Queen-Grayburg Pool, for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Applicant further seeks authority to expand a portion of said project by means of a significant change in process including conversion to 40-acre five spot injection patterns. Said project area is located approximately 6 miles south of Eunice, New Mexico. Upon application of OXY USA Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 10871:** (De Novo)

Application of Santa Fe Energy Partners, L.P. for compulsory pooling and to shut-in a producing well, and for a non-standard spacing and proration unit, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 10, Township 20 South, Range 24 East, forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the South Dagger Draw-Upper Pennsylvanian Associated Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location within said W/2 proration unit. 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. Applicant also requests that the existing Yates Petroleum Corporation Judith "AJ" Fed. Well No. 1, located 660 feet from the South and East lines of Section 9, Township 20 South, Range 24 East, be shut-in pending the drilling and completion of applicant's proposed well. Further, applicant requests approval for a non-standard spacing and proration unit in the South Dagger Draw-Upper Pennsylvanian Associated Pool for the proposed Ocotillo "ACI" Fed. Com Well No. 2 to be located at a standard location in the SE/4 of Section 10, Township 20 South, Range 24 East. Said area is located approximately 2 miles west of Seven Rivers, New Mexico. Upon application of Santa Fe Operating Partners, L.P., this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 10823:** (De Novo - Continued from January 13, 1994, Commission Hearing.)

Application of Nearburg Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation, underlying the W/2 of Section 10, Township 22 South, Range 24 East, forming a standard 320-acre oil and 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 Indian Basin-Upper Pennsylvanian Associated Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location within said W/2 proration unit. 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 12 miles west of Carlsbad, New Mexico. Upon application of Nearburg Producing Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 10772:** (De Novo - Continued from January 13, 1994, Commission Hearing.)

Application of Barber Oil Inc. for salt water disposal, Eddy County, New Mexico. Applicant seeks authority to utilize its Stovall-Wood Well No. 5 located 880 feet from the North line and 1580 feet from the West line (Unit C) of Section 20, Township 20 South, Range 30 East, to dispose of produced salt water into the Rustler Lime formation through the perforated interval from approximately 195 feet to 255 feet. Said well is located 2 miles northeast of the National Potash Company Mine. Upon application of Barber Oil Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 10932:** Application of The Wiser Oil Company to authorize the expansion of the Maljamar Caprock Unit Waterflood Project and qualify said expansion for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act," Lea County, New Mexico. Applicant seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovery Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying a portion of its Maljamar Caprock Unit in Sections 13 and 24, Township 17 South, Range 32 East, and portions of Sections 17, 18, 19, 20, 21, 27, 28, 29, 33, Township 17 South, Range 33 East, Maljamar Grayburg-San Andres Pool, for the Recovered Oil Tax Rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project area is located approximately 8 miles east of Maljamar, New Mexico.

**CASE 10882:** (Continued from February 3, 1994, Examiner Hearing.)

Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico. Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

**CASE 10927:** Application of Breck Operating Corporation for surface commingling, San Juan County, New Mexico. Applicant seeks an exception to Division General Rule 303A for the surface commingling of production from the Basin-Fruitland Coal Gas Pool in its Kutz Government Well No. 8J located 930 feet from the South line and 1720 feet from the West line (Unit N) of Section 21, Township 28 North, Range 10 West, and production from the Fulcher Kutz-Pictured Cliffs Gas Pool in its Kutz Government Well No. 8 located 990 feet from the South and West lines (Unit M) of said Section 21 which is located approximately 4 miles north of El Paso's Angel Peak Station.

**CASE 10928:** Application of Breck Operating Corporation for surface commingling, San Juan County, New Mexico. Applicant seeks an exception to Division General Rule 303A for the surface commingling of production from the Basin-Fruitland Coal Gas Pool in its Kutz Government Well No. 7 located 790 feet from the South line and 1650 feet from the West line (Unit N) of Section 3, Township 27 North, Range 10 West, and production from the Fulcher Kutz-Pictured Cliffs Gas Pool in its Kutz Government Well No. 7J located 1840 feet from the South line and 1050 feet from the West line (Unit L) of said Section 3 which is located approximately 2 miles northeast of El Paso's Angel Peak Station.

**CASE 10929:** Application of Breck Operating Corporation for surface commingling, San Juan County, New Mexico. Applicant seeks an exception to Division General Rule 303A for the surface commingling of production from the Basin-Fruitland Coal Gas Pool in its Kutz Government Well No. 6 located 990 feet from the North line and 1650 feet from the East line (Unit B) of Section 3, Township 27 North, Range 10 West, and production from the Fulcher Kutz-Pictured Cliffs Gas Pool in its Kutz Government Well No. 6J located 1640 feet from the North line and 1190 feet from the East line (Unit H) of said Section 3 which is located approximately 2 miles northeast of El Paso's Angel Peak Station.

**CASE 10910:** (Continued from February 17, 1994, Examiner Hearing.)

Application of Manzano Oil Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of the unorthodox location in the Morrow formation, West Osudo-Morrow Gas Pool, for its Neuhaus Federal Well No 3 to be drilled 660 feet from the South line and 1650 feet from the East line (Unit O) of Section 14, Township 20 South, Range 35 East, the E/2 of said Section 14 is to be dedicated to the well. Applicant further requests approval of the unorthodox location as to all prospective pools or formations including but not limited to the Morrow, spaced on 320 acres. Said well is located approximately 17 miles southwest of Hobbs, New Mex.

**CASE 10909:** (Continued from February 17, 1994, Examiner Hearing.)

Application of Klabzuba Oil and Gas for an unorthodox well location, Lea County, New Mexico. Applicant seeks authorization to drill its State Well No 1-36 at an unorthodox location 2403 feet from the North line and 2620 feet from the West line (Unit F) of Section 36, Township 11 South, Range 37 East, Devonian formation, Gladiola-Devonian Pool. The SE/4 NW/4 of said Section 36 should be dedicated to the well. Said area is located approximately 8 miles northeast of Tatum, New Mexico.

**CASE 10930:** Application of The Wiser Oil Company for statutory unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing a waterflood project, all mineral interests in the proposed Caprock Maljamar Unit in the Maljamar Grayburg San Andres Pool, underlying 4160 acres, more or less, of State, Federal and Fee lands comprising portions of Sections 13 and 24, Township 17 South, Range 32 East and portions of Sections 17, 18, 19, 20, 21, 27, 28, 29, and 33, Township 17 South, Range 33 East. Said unit is to be designated the Caprock Maljamar Unit Area. 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 investment, 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 unit operator, and time of commencement and termination of unit operations. Said unit area is located approximately 8 miles east of Maljamar, New Mexico.

**CASE 10931:** Application of The Wiser Oil Company for approval of a waterflood project, Lea County, New Mexico. Applicant seeks authority to institute a waterflood project on its proposed Caprock Maljamar Unit in the Maljamar Grayburg San Andres Pool (Division Case No. 10930) located in portions of Sections 13 and 24, Township 17 South, Range 32 East and portions of Sections 17, 18, 19, 20, 21, 27, 28, 29, and 33, Township 17 South, Range 33 East, by the injection of water into the Maljamar Grayburg-San Andres Pool through certain wells to be converted to water injection and the drilling of infill 20-acre wells to serve as producers. The applicant further seeks approval that said project qualify as an "Enhanced Oil Recovery Project" pursuant to the provisions of Division Order No. R-9708. Said project area is located approximately 8 miles east of Maljamar, New Mexico.

**CASE 10958:** Application of Hanagan Petroleum Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its Leapin Lizard Well No. 1 at an unorthodox oil well location 421 feet from the North line and 2381 feet from the West line (Unit C) of Section 4, Township 14 South, Range 29 East, to test the Undesignated South Lone Wolf-Devonian Pool; Lot 3 (NE/4 NW/4 equivalent) of said Section 4 is to be dedicated to said well forming a standard 39.68-acre oil spacing and proration unit for said pool. Said unit is located approximately 17 miles east of Hagerman, New Mexico.

**CASE 10945:** (Continued from March 17, 1994, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described acreage in Section 21, Township 18 South, Range 28 East, and in the following manner: the W/2 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 North Illinois Camp-Morrow Gas Pool on the Undesignated North Turkey Track-Morrow Gas Pool; the NW/4 forming 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 SW/4 NW/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Illinois Camp-Bone Spring Pool. Said units are to be dedicated to a single well to be drilled in Unit "E" of said Section 21. 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 13 miles west-southwest of Loco Hills, New Mexico.

**CASE 10946:** (Continued from March 17, 1994, Examiner Hearing.)

Application of Louis Dreyfus Natural Gas Corp. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 21, 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 within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Palmillo Draw-Atoka Gas Pool and the Undesignated North Illinois Camp-Morrow Gas Pool. Said unit is to be dedicated a well to be drilled at a standard gas well location thereon. 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 13 miles west-southwest of Loco Hills, New Mexico.

**CASE 10882:** (Continued from March 3, 1994, Examiner Hearing.)

Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico. Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

**DOCKET: COMMISSION HEARING - THURSDAY - APRIL 21, 1994**  
**9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO**  
**The Land Commissioner's designee for this hearing will be Gary Carlson**

**CASE 10345:** (De Novo - Continued from March 10, 1994, Commission Hearing.)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #390 to determine the reasonableness of such costs pursuant to the provisions of Commission Order No. R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

**CASE 10346:** (De Novo - Continued from March 10, 1994, Commission Hearing.)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #391 to determine the reasonableness of such costs pursuant to the provisions of Commission Order No. R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

**CASE 11001:** **Application of M. Craig Clark for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Cisco formation underlying Lots 1 and 2, the NE/4, and E/2 NW/4 (N/2 equivalent) of Section 19, Township 20 South, Range 27 East, forming a standard 319.65-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 McMillan-Wolfcamp Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5.5 miles southeast by south of Seven Rivers, New Mexico.

**CASE 10882:** (Continued from April 14, 1994, Examiner Hearing.)

**Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico.** Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

---

DOCKET NO. 18-94

**DOCKET: COMMISSION HEARING - THURSDAY - JUNE 16, 1994**

**9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO**

**The Land Commissioner's designee for this hearing will be Jami Bailey**

**CASE 10870:** (De Novo - Continued from May 19, 1994, Commission Hearing.)

**Application of Pogo Producing Company for special pool rules for the Los Medanos-Delaware and West Sand Dunes-Delaware Pools, Eddy County, New Mexico.** Applicant seeks the promulgation of special pool rules for both the Los Medanos-Delaware and West Sand Dunes-Delaware Pools including a provision for a gas-oil ratio limitation of 8,000 cubic feet of gas per barrel of oil. The Los Medanos-Delaware Pool covers all or parts of Sections 9, 16, and 17 and the West Sand Dunes-Delaware Pool covers all or parts of Sections 20, 21, 28, 29, 32, and 33, all in Township 23 South, Range 31 East. Said area is located approximately at mile marker 15 on State Highway 128. Upon application of Kaiser-Francis Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 11659:** (Continued from November 21, 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 11661:** (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 20, Township 22 South, Range 28 East, and in the following manner: the S/2 of Section 20 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 Dublin Ranch-Atoka Gas Pool, the Undesignated Dublin Ranch-Morrow Gas Pool, and the Undesignated Otis-Morrow Gas Pool; the SE/4 of Section 20 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 NW/4 SE/4 of Section 20 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within said vertical extent, including the Undesignated Indian Draw-Delaware Pool and the Undesignated Herradura Bend-Cherry Canyon Pool. Said units are to be dedicated to applicant's Federal "3 AE" Well No. 1, to be recompleted at an orthodox location 1650 feet from the South line and 1980 feet from the East line (Unit J) of said Section 20. Also to be considered will be the cost of drilling and recompleting 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 recompleting said well. Said unit is located approximately 6 miles north of Loving, New Mexico.

**CASE 11666:** **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 11634:** (Continued from November 21, 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:** **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.

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 5, 1996

8:15 AM - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 37-96 and 1-97 are tentatively set for December 19, 1996 and January 9, 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 10513: (Readvertised)

**Application of Hanley Petroleum Inc. for determination of reasonable well costs, Lea County, New Mexico.** Applicant as a working interest owner in the Santa Fe Energy Operating Partners, L.P. Kachina "8" Federal Well No. 2 located 1830 feet from the North line and 660 feet from the West line (Unit E) of Section 8, Township 18 South, Range 33 East, South Corbin-Wolfcamp Pool, which was drilled pursuant to the compulsory pooling provisions of Division Order Nos. R-9480, R-9480-A, and R-9480-B, all entered in Case Nos. 10211 and 10219, and to which is dedicated the W/2 NW/4 (Units D and E) of said Section 8, seeks an order ascertaining the reasonableness of actual well costs for the subject well. Said unit is located approximately 7.5 miles southeast by south of Maljamar, New Mexico.

CASE 10882: (Readvertised)

**Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico.** Applicants seek approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L)(SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

CASE 11648: (Continued from November 21, 1996, Examiner Hearing.)

**Application of Mewbourne Oil Company for compulsory pooling, a non-standard spacing unit and an unorthodox well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the S/2 in the Eumont Gas Pool and in all formations developed on 160-acre spacing underlying the SW/4, and in all formations developed on 80-acre spacing underlying the S/2 SW/4, from the surface to the base of the Yates-Seven Rivers-Queen formation, Eumont Gas Pool, of Section 21, Township 19 South, Range 37 East. Said units are to be dedicated to its Eumont "21" State Well No. 1 which will be drilled at an unorthodox location 990 feet from the South line and 860 feet from the West line (Unit M) of said Section 21. Applicant proposes to dedicate to this well in the Eumont Gas Pool a non-standard spacing unit comprised of the S/2 of said Section 21. 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 2 miles east of Monument, New Mexico.

CASE 11639: (Continued from November 21, 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 11665: **Application of Exxon Corporation for approval of a waterflood project and to qualify said project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.** Applicant seeks approval to institute a secondary recovery project in its proposed Knox-Adkins Waterflood Project by the injection of water into the Blinebry formation in the Oil Center-Blinebry Pool, encompassing 640 acres of fee land comprising all of Section 10, Township 21 South, Range 36 East. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is located immediately east of Oil Center, New Mexico.

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Northwest Sulphate Draw-Wolfcamp Gas Pool. The discovery well is the Hallwood Petroleum Corporation, Inc. Target 23 State Well No. 1 located in Unit E of Section 23, Township 24 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM

Section 23: W/2

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 16: E/2

- (e) EXTEND the Cedar Lake-Strawn Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 2: NE/4

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

TOWNSHIP 20 1/2 SOUTH, RANGE 23 EAST, NMPM

Section 36: All

- (g) EXTEND the East Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 29 EAST, NMPM

Section 31: NW/4

- (h) EXTEND the Illinois Camp-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 16: S/2

- (i) EXTEND the North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 20: N/2

- (j) EXTEND the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM

Section 1: E/2

Section 12: N/2

- (k) EXTEND the Nash Draw-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM

Section 24: S/2 and NE/4

- (l) EXTEND the Old Millman Ranch-Bone Spring Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 10: NE/4

- (m) EXTEND the Travis-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 23: SW/4

**CASE 11078:** **Application of Bass Enterprises Production Company for a pressure maintenance project, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Golden "8" Federal lease in Section 8, Township 21 South, Range 29 East, by the injection of water into the South Golden Lane-Delaware Pool through the perforated interval from approximately 4248 feet to 4310 feet in its Golden "8" Federal Well No. 3, located 1980 feet from the South line and 660 feet from the East line (Unit L) of said Section 8. Said well is located approximately 3.25 miles southwest of the junction of U.S. Highway 62/180 and N.M. State Highway No. 31.

**CASE 11079:** **Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to drill its Cygnet "4" Federal Com. Well No. 1 at an unorthodox gas well location 2310 feet from the South line and 1800 feet from the East line (Unit J) of Section 4, Township 22 South, Range 32 East, to test the Undesignated Bilbrey-Morrow Gas Pool. The S/2 said Section 4 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 31 miles west of Eunice, New Mexico.

**CASE 11080:** **Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described areas in Section 20, Township 23 South, Range 29 East, and in the following manner: The S/2 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, including the Laguna Salado-Atoka Gas Pool; and the SE/4 forming 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 unit is to be dedicated to its Harroun Trust 20 Fed. Com Well No. 1, to be drilled at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line 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 5 miles east of Loving, New Mexico.

**CASE 10976:** (Continued from August 4, 1994, Examiner Hearing.)

**Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 32, Township 17 South, Range 31 East, 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. Said unit is to be dedicated to a well to be drilled at a standard gas 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 1.5 miles southwest of the junction of U.S. Highway 82 and State Road 529.

**CASE 10882:** (Continued from June 9, 1994, Examiner Hearing.)

**Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico.** Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

**CASE 11081:** 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 Eddy County, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production and designated as the South Indian Basin-Yeso Pool. The discovery well is the Yates Petroleum Corporation Sacahuiste KE Federal Well No. 1 located in Unit O of Section 34, Township 22 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM  
Section 34: SE/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Los Medanos-Wolfcamp Gas Pool. The discovery well is the Mitchell Energy Corporation Apache 25 Federal Com Well No. 2 located in Unit P of Section 25, Township 22 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM  
Section 25: S/2