

CASE 10991: (Continued from November 10, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, 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, which presently includes but is not necessarily limited to the Pecos Slope Abo 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 15 miles west-northwest of Elkins, New Mexico.

CASE 1111: (Continued from November 10, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation 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 Canyon formation, underlying the SE/4 of Section 21, Township 19 South, Range 25 East, 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, which presently includes only the Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard location in the SW/4 SE/4 (Unit O) 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 and completing said well. Said unit is located approximately 6.25 miles west by north of Lakewood, New Mexico.

CASE 11153: Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Mesaverde Pool gas production with Basin-Dakota Pool gas production within the wellbore of its Martinez Gas Com Well No. 1G located 1198 feet from the North line and 790 feet from the East line (Unit A) of Section 24, Township 29 North, Range 10 West. Said well is located inside the town in Blanco, New Mexico.

CASE 11154: Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional West Kutz-Pictured Cliffs Pool gas production (160-acre standard dedication comprising the NE/4) with gas production from the Basin-Fruitland Coal (Gas) Pool (320-acre standard dedication comprising the N/2) within the wellbore of its existing McGrady Gas Com "C" Well No. 1-E located at a standard gas well location for both intervals 1000 feet from the North line and 1740 feet from the East line (Unit B) of Section 14, Township 27 North, Range 12 West. Said well is located approximately 12 miles southeast by south of Farmington, New Mexico.

CASE 11155: Application of Amoco Production Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Blanco-Pictured Cliffs Pool gas production (160-acre standard dedication comprising the NE/4) with gas production from the Basin-Fruitland Coal (Gas) Pool (320-acre standard dedication comprising the N/2) within the wellbore of its proposed Ruth Well No. 1 located at a standard gas well location for both intervals 940 feet from the North line and 790 feet from the East line (Unit A) of Section 8, Township 31 North, Range 10 West. Said well is located approximately 1.5 miles south southwest of Blanco, New Mexico.

CASE 11156: Application of Maralo, Inc. 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 Bone Spring formation, underlying the NE/4 NW/4 (Unit C) of Section 30, Township 23 South, Range 30 East, forming a standard 40-acre oil spacing and proration unit. Said unit is to be dedicated to a well 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 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 by south of Loving, New Mexico.

CASE 11157: Application of OXY USA, Inc. for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Eumont Gas Pool to be drilled 2145 feet from the South line and 495 feet from the West line (Lot 3/Unit L) of Section 30, Township 19 South, Range 37 East. Said well is to be simultaneously dedicated with the State "E" Well No. 5 located in Unit "N" of said Section 30, to the existing 157-acre, more or less, non-standard gas spacing and proration unit comprising Lots 3 and 4 and the E/2 SW/4 (SW/4 equivalent) of said Section 30 (established by Division Administrative Order NSP-224), which is located approximately 2 miles west by north of Monument, New Mexico.

CASE 11158: Application of Conoco, Inc. for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its proposed State "A-19" Well No. 2 at an unorthodox gas well location for the Eumont Gas Pool 1760 feet from the South line and 624 feet from the West line (Lot 3/Unit L) of Section 19, Township 19 South, Range 37 East. Further, the applicant seeks to dedicate said well to a non-standard 38.68-acre gas spacing and proration unit comprising Lot 3 (the NW/4 SW/4 equivalent) of said Section 19, which is located approximately 2 miles northwest by west of Monument, New Mexico.

CASE 11159: Application of Conoco, Inc. for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Eumont Gas Pool for its existing Lockhart "B-28" Well No. 1 located 660 feet from the North and West lines (Unit D) of Section 28, Township 21 South, Range 36 East. Said well is to be simultaneously dedicated with the Lockhart "B-28" Well Nos. 2 and 3 located in Units "E" and "L", respectively, of said Section 28, to the existing 240-acre non-standard gas spacing and proration unit comprising the W/2 NW/4 and the SW/4 of said Section 28 (established by Division Administrative Order NSP-127), which is located approximately 2.5 miles south southwest of Oil Center, New Mexico.

CASE 11129: (Continued from November 10, 1994, Examiner Hearing.)

Application of AnSon Gas Corporation for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the N/2 SE/4 of Section 15, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for the Undesignated Humble City-Strawn Pool. Said unit is to be dedicated to the Shipp "15" Well No. 1 to be drilled at an unorthodox oil well location 2130 feet from the South line and 510 feet from the East line (Unit I) of Section 15 to test the Strawn 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 the risk involved in drilling and completing said well. Said area is located approximately 3 miles northwest of Humble City, New Mexico.

CASE 11099: (Continued from November 10, 1994, Examiner Hearing.)

Application of TARA-JON Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Drinkard formation underlying the NE/4 NW/4 (Unit C) of Section 27, Township 16 South, Range 38 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, which presently includes but is not necessarily limited to the Undesignated Garrett-San Andres Pool, Undesignated Garrett-Drinkard Pool, and Undesignated East Garrett-Drinkard Pool. Said pooled unit is to be dedicated to either the plugged and abandoned The Texas Company Gotlieb Ertal Well No. 1 (T.D. - 13,310 feet), located at a standard oil well location 660 feet from the North line and 1982 feet from the West line, more or less, of said Section 27 or, if said Gotlieb Ertal Well No. 1 is found not to be mechanically sound, to a new well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of re-entering and recompleting the old plugged and abandoned well and/or the costs of drilling and completing a new 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 unit and a charge for risk involved in re-entering the old plugged and abandoned well and/or the drilling of a new well. Said unit is located approximately 12 miles north of Hobbs, New Mexico.

CASE 10991: (Continued from October 13, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, 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, which presently includes but is not necessarily limited to the Pecos Slope Abo 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 15 miles west-northwest of Elkins, New Mexico.

CASE 11111: (Continued from October 27, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation 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 Canyon formation, underlying the SE/4 of Section 21, Township 19 South, Range 25 East, 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, which presently includes only the Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard location in the SW/4 SE/4 (Unit O) 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 and completing said well. Said unit is located approximately 6.25 miles west by north of Lakewood, New Mexico.

CASE 10997: (Reopened)

Application of Nearburg Exploration Company to reopen Case 10997 and to amend Division Order No. R-10150, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order to amend Division Order No. R-10150, entered on July 14, 1994, for the purpose of substituting a new unorthodox gas well location 2310 feet from the North and East lines (Unit G) of Section 26, Township 19 South, Range 25 East, for the previously approved unorthodox gas well location to be 1450 feet from the North and East lines (Unit G) of said Section 26 for Nearburg Producing Company's proposed Morris 26F Well No. 2 to be drilled in accordance with the referenced compulsory pooling order which pooled all non-participating royalty interests for any production from the surface to the base of the Morrow formation and all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the N/2 of Section 26 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 Cemetery-Morrow Gas Pool. Said unit is located approximately 9 miles west-northwest of Lakewood, New Mexico.

CASE 11142: Application of Amerada Hess Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying the N/2 of Section 34, Township 24 North, Range 5 West, forming a standard 320-acre gas spacing and proration unit for said 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 operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 17 miles west by south of Lindrith, New Mexico.

CASE 11089: (Continued and Readvertised)

Application of Meridian Oil Inc. to contract the vertical limits of the Barker Creek-Paradox (Pennsylvanian) Pool, the amendment of Division Order No. R-46, and the concomitant creation of three gas pools each with special rules and regulations therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to amend and redefine the Barker Creek-Paradox (Pennsylvanian) Pool comprising all or portions of Sections 9, 10, 11, 14, 15, 16, 17, 19, 20, 21, 22, 23, 27, 28, and 29, Township 32 North, Range 14 West, by vertically contracting the limits of said pool and the concomitant creation of three new gas pools, to include all or portions of Sections 7 through 10, 11, 14 through 23, 27 through 30, Township 32 North, Range 14 West, by dividing the balance of the Paradox formation, in the Ismay, the Desert Creek, and the Upper-Barker Creek and Akah members. Applicant further seeks the promulgation of special rules for each new pool including 160 or 320-acre spacing and well location exceptions allowing for 100 foot off-sets. Also, the special Rules and Regulations for the contracted Barker Creek-Paradox (Pennsylvanian) Pool, as promulgated by Division Order No. R-46, should include a similar provision allowing for 100 foot off-sets to the outer boundary of a spacing and proration unit. Said area is centered approximately eight miles northwest of La Plata, New Mexico.

CASE 11138: Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (160.01-acre dedication comprising Lots 9 and 13 and the W/2 SE/4, being the SE/4 equivalent) with gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Martin Well No. 2 located 1650 feet from the South and East lines (Unit J) of Section 34, Township 30 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 321.87-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising Lots 9 through 13, the SE/4 SW/4, and the W/2 SE/4 (S/2 equivalent) of said Section 34. Said well is located approximately 4 miles south of Aztec, New Mexico.

CASE 11139: Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (160-acre, NW/4 dedication) with gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Seymour Com Well No. 1 located 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 36, Township 30 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising the N/2 of said Section 36. Said well is located approximately 6 miles southwest of Aztec, New Mexico.

CASE 11140: Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production (160-acre, SE/4 dedication) with coal gas from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Garrett Com Well No. 1 located 1650 feet from the South line and East lines (Unit J) of Section 12, Township 29 North, Range 11 West. Said well location is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool comprising the E/2 of said Section 12. Said well is located approximately 2 miles northeast of Bloomfield, New Mexico.

CASE 11089: (Continued from September 15, 1994, Examiner Hearing.)

Application of Meridian Oil Inc. to abolish the Barker Creek-Paradox (Pennsylvanian) Pool and the concomitant creation of five replacement gas pools each with special rules and regulations, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to abolish the Barker Creek-Paradox (Pennsylvanian) Pool comprising all or portions of Sections 9, 10, 11, 14, 15, 16, 17, 19, 20, 21, 22, 23, 27, 28, and 29, Township 32 North, Range 14 West, and the concomitant creation of five replacement pools for the production of gas from five separate and distinct members of the Paradox formation. Applicant further seeks the promulgation of special rules therefor including a provision for 640-acre spacing and well location requirements. Said area is centered approximately eight miles northwest of La Plata, New Mexico.

CASE 11123: (Continued from October 27, 1994, Examiner Hearing.)

Application of Rand Oil & Gas, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its Summers Well No. 1 located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 18, Township 17 South, Range 39 East, and utilize said well to dispose of produced salt water into the South Knowles-Devonian Pool through the open-hole interval from approximately 4950 feet to 8900 feet. Said well is located approximately 3 miles east of Knowles, New Mexico.

CASE 11141: Application of Marathon Oil Company for two additional high angle/horizontal wells and to amend Division Order No. R-10082, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to utilize the two existing J. M. Denton Well Nos. 4 and 6 located in Units "K" and "P", respectively, of Section 11, Township 15 South, Range 37 East by kicking-off from vertical, build angle to approximately 90 degrees with a short-radius curve and continue drilling a horizontal drainhole within the Denton-Devonian Pool. Applicant further seeks the promulgation of special rules and provisions for the applicant's J. M. Denton lease "pilot project", approved by Division Order No. R-10082, including the designation of a prescribed area limiting the horizontal displacement of any drainhole to within 330 feet from the circumventing said project area, comprising the SW/4, N/2 SE/4 and SE/4 SE/4 of said Section 11, the creation and formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, and the assignment of a special oil allowable for such non-standard oil proration units. Said project is located approximately 4.5 miles south-southeast of Prairieview, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 13, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 31-94 and 32-94 are tentatively set for October 27, 1994 and November 10, 1994. 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 10991: (Continued from September 15, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, 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, which presently includes but is not necessarily limited to the Pecos Slope Abo 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 15 miles west-northwest of Elkins, New Mexico.

CASE 1110: **Application of Yates Petroleum Corporation 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 Canyon formation, underlying the NE/4 of Section 21, Township 19 South, Range 25 East, 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, which presently includes only the Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard location in the SW/4 NE/4 (Unit G) 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 and completing said well. Said unit is located approximately 6.25 miles west by north of Lakewood, New Mexico.

CASE 1111: **Application of Yates Petroleum Corporation 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 Canyon formation, underlying the SE/4 of Section 21, Township 19 South, Range 25 East, 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, which presently includes only the Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard location in the SW/4 SE/4 (Unit O) 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 and completing said well. Said unit is located approximately 6.25 miles west by north of Lakewood, New Mexico.

CASE 10530: (Reopened - Continued from September 15, 1994, Examiner Hearing.)

In the matter of Case No. 10530 being reopened pursuant to the provisions of Order Nos. R-9722 and R-9722-A, which promulgated special rules and regulations for the West Lovington-Strawn Pool including a provision for 80-acre spacing. Operators in the subject pool should be prepared to appear and show cause why the temporary special rules and regulations for the West Lovington-Strawn Pool should not be rescinded and said pool not be developed on 40-acre spacing units.

CASE 10669: (Reopened - Continued from September 15, 1994, Examiner Hearing.)

In the matter of Case 10669 being reopened pursuant to the provisions of Order No. R-9875, as amended, which promulgated special rules and regulations for the Northeast Pollack-Wolfcamp Pool, including a provision for 160-acre spacing. Operators in the subject pool should be prepared to appear and show cause why the temporary special rules and regulations for the Northeast Pollack-Wolfcamp Pool should not be rescinded and said pool not be developed on 40-acre spacing units.

CASE 1112: **Application of Santa Fe Energy Operating Partners, L.P. for pool contraction and expansion, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks to contract the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool by deleting therefrom Section 14, Township 21 South, Range 23 East, and the concomitant expansion of the boundaries of the South Dagger Draw-Upper Pennsylvanian Associated Pool by adding said acreage. Said change would be contingent upon an order issued in the Division's District II nomenclature Case No. 11121. The subject acreage is centered approximately one mile north of the Marathon Oil Company Indian Basin Gas Plant.

CASE 11080: (Continued from September 1, 1994, Examiner Hearing.)

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 11113: **Application of Great Western Drilling Company for a waterflood project and to qualify said project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to institute a waterflood project in its proposed South Carter (San Andres) Unit comprising portions of Sections 5, 6, 7, and 8, Township 18 South, Range 39 East, by the injection of water into the South Carter-San Andres Pool, through 5 existing wells to be converted. 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). Said project is located approximately 6 miles north-northeast of Hobbs, New Mexico.

CASE 11114: **Application of Great Western Drilling Company for statutory unitization, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the South Carter-San Andres Pool underlying its proposed South Carter (San Andres) Unit Area encompassing some 624 acres, more or less, of Federal and Fee lands comprising portions of Sections 5, 6, 7 and 8, Township 18 South, Range 39 East. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investments, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to unit voting procedures, selection, removal or substitution of the unit operator, and time of commencement and termination of unit operations. Said unit area is located approximately 6 miles north-northeast of Hobbs, New Mexico.

CASE 11115: **Application of Manzano Oil Corporation for an unorthodox oil well location, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its S. V. Sundown State Well No. 1 to be drilled 477 feet from the South line and 191 feet from the West line (Unit M) of Section 14, Township 10 South, Range 30 East, to test the Devonian formation. The SW/4 SW/4 of said Section 14 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit. Said unit is located approximately 6.5 miles west northwest of the junction of U. S. Highway 380 and New Mexico State Highway No. 172.

CASE 11106: (Readvertised)

Application of Richardson Operating Company for downhole commingling and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Fruitland Coal (Gas) Pool production with Pictured Cliffs gas production from either the Undesignated West Kutz-Pictured Cliffs Pool or the Undesignated Fulcher Kutz-Pictured Cliffs Pool within the wellbore of its proposed Ropco Federal "12" Well No. 2 to be drilled at an unorthodox gas well location 1630 feet from the North line and 770 feet from the East line (Unit H) of Section 12, Township 29 North, Range 13 West. The E/2 of said Section 12 forming a standard 320-acre gas spacing and proration unit in the Basin-Fruitland Coal (Gas) Pool and the NE/4 of said Section 12 forming a standard 160-acre gas spacing and proration unit in the Pictured Cliffs interval are to be dedicated to said well. Said location is approximately four miles east of the Four Corners Regional Airport in Farmington, New Mexico.

CASE 11064: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the SE/4 NW/4 of Section 34, Township 19 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, which presently includes but is not necessarily limited to the Undesignated Northeast Lea-Delaware Pool. Said unit is to be dedicated to its Mallon "34" Federal Well No. 4 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11065: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NE/4 NW/4 of Section 34, Township 19 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 Mallon "34" Federal Well No. 6 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11088: **Application of Marathon Oil Company for an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 26, Township 21 South, Range 23 East, Indian Basin-Upper Pennsylvanian Gas Pool. All of said Section 26 is to be dedicated to said well forming a standard 640-acre gas spacing and proration unit for said pool. Said unit is located approximately 20 miles west of Carlsbad, New Mexico.

CASE 11089: **Application of Meridian Oil Inc. to abolish the Barker Creek-Paradox (Pennsylvanian) Pool and the concomitant creation of five replacement gas pools each with special rules and regulations, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks to abolish the Barker Creek-Paradox (Pennsylvanian) Pool comprising all or portions of Sections 9, 10, 11, 14, 15, 16, 17, 19, 20, 21, 22, 23, 27, 28, and 29, Township 32 North, Range 14 West, and the concomitant creation of five replacement pools for the production of gas from five separate and distinct members of the Paradox formation. Applicant further seeks the promulgation of special rules therefor including a provision for 640-acre spacing and well location requirements. Said area is centered approximately eight miles northwest of La Plata, New Mexico.

CASE 11090: **Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle West Kutz-Pictured Cliffs Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its existing Harmon "A" Well No. 2, located 1650 feet from the North and West lines (Unit F) of Section 2, Township 27 North, Range 12 West. Said well is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a standard 320.20-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool comprising Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 2. Said well is located approximately 11 miles southeast of Farmington, New Mexico.

CASE 10991: (Continued from August 4, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, 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, which presently includes but is not necessarily limited to the Pecos Slope Abo 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 15 miles west-northwest of Elkins, New Mexico.

CASE 11059: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the SE/4 SE/4 of Section 27, Township 19 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, which presently includes but is not necessarily limited to the Undesignated Northeast Lea-Delaware Pool. Said unit is to be dedicated to its Mallon "27" Federal Well No. 2 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11060: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the SW/4 NW/4 of Section 34, Township 19 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 Mallon "34" Federal Well No. 5 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11061: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NE/4 NE/4 of Section 34, Township 19 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, which presently includes but is not necessarily limited to the Undesignated Northeast Lea-Delaware Pool. Said unit is to be dedicated to its Mallon "34" Federal Well No. 2 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11062: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NE/4 SE/4 of Section 34, Township 19 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, which presently includes but is not necessarily limited to the Undesignated Northeast Lea-Delaware Pool. Said unit is to be dedicated to its Mallon "34" Federal Well No. 3 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11063: (Continued from September 1, 1994, Examiner Hearing.)

Application of Mallon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NW/4 NW/4 of Section 34, Township 19 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 Mallon "34" Federal Well No. 1 to be drilled and completed 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles east of Laguna Tonto, New Mexico.

CASE 11049: Application of Matador Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 29, Township 15 South, Range 30 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 Little Lucky Lake-Morrow Gas Pool. Said unit is to be dedicated to the existing Paloma Resources, Inc.'s Peery Federal Well No. 3 located at an unorthodox gas well location 1820 feet from the South line and 2140 feet from the West line (Unit K) of said Section 29. Also to be considered will be the costs of participation in said well and the allocation of the costs and income thereof as well as actual operating costs and charges for supervision and designation of applicant as the operator of the well. Said unit is located approximately 11.5 miles north by east of Loco Hills, New Mexico.

CASE 11050: Application of EnRe Corporation for a high angle/horizontal directional drilling project, a non-standard oil proration unit, unorthodox well location, a special project allowable, and special operating rules therefor, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling project in the Mancos formation, Boulder-Mancos Oil Pool underlying the W/2 and the W/2 E/2 of Section 22, Township 28 North, Range 1 West, NMPM, thereby forming a 480-acre non-standard oil proration unit. The applicant proposes to commence drilling its Cedar Canyon "22G" Well No. 1 from an unorthodox surface location 1650 feet from the North line and 2020 feet from the East line (Unit G) of Section 22, kick off from the vertical in a southwesterly direction building angle so as to penetrate the Mancos formation at a true vertical depth of approximately 6722 feet and continue drilling laterally a distance of approximately 2400 feet. Applicant further seeks the adoption of special operating provisions and rules within the project area including the designation of a prescribed area limiting the horizontal extent of said wellbore such that it cannot be located closer than 330 feet from the outer boundary of the project area, and for a special project allowable equal to the standard oil allowable times the number of 80-acre proration units traversed by the wellbore. Said project area is located approximately 3 miles west of Burford Lake.

CASE 10991: (Continued from July 7, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, 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, which presently includes but is not necessarily limited to the Pecos Slope Abo 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 15 miles west-northwest of Elkins, New Mexico.

CASE 10444: (Continued from July 7, 1994, Examiner Hearing.)

In the matter of Case No. 10444 being reopened pursuant to the provisions of Order No. R-9696 which order promulgated special rules and regulations for the Hobbs-Lower Blinebry Pool including a provision for 80-acre spacing units. Operators in the subject pool should be prepared to appear and show cause why the temporary special pool rules for the Hobbs-Lower Blinebry Pool should not be rescinded and said pool not be developed on 40-acre spacing units and why both the upper and lower Blinebry pools formed by this order should not be rejoined and redesignated the Hobbs-Blinebry Pool.

CASE 11051: Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the E/2 of Section 26, Township 30 North, Range 8 West, NMPM, which is currently dedicated to its Gartner "A" Well Nos. 8 and 8A located respectively in Units A and P. The applicant proposes to re-enter its Gartner "A" Well No. 8, located at a standard gas well location 990 feet from the North and East lines of Section 26, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. The applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of the spacing unit. Said project area is located approximately 2 miles southwest of Navajo Dam.

CASE 11052: Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the S/2 of Section 9, Township 30 North, Range 8 West, NMPM, which is currently dedicated to its Moore Well Nos. 5 and 5A located respectively in Units N and O. The applicant proposes to re-enter its Moore Well No. 5, located at a standard gas well location 990 feet from the South line and 1805 feet from the West line of Section 9, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. The applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of the spacing unit. Said project area is located approximately 3 miles northwest of Navajo Dam.

CASE 11053: Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the E/2 of Section 29, Township 31 North, Range 8 West, NMPM, which is currently dedicated to its Kernaghan "B" Well Nos. 3 and 3A located respectively in Units B and O. The applicant proposes to re-enter its Kernaghan "B" Well No. 3A, located at a standard gas well location 980 feet from the South line and 1480 feet from the East line of Section 29, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. The applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of the spacing unit. Said project area is located approximately 6 miles northwest of Navajo Dam.

CASE 11054: Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the E/2 of Section 6, Township 30 North, Range 8 West, NMPM, which is currently dedicated to its Florence "H" Well Nos. 37 and 37A located respectively in Units H and J. The applicant proposes to drill vertically its Florence "H" Well No. 37R as a replacement well for the Florence "H" Well No. 37 at a yet to be determined location in the SE/4 of Section 6 no closer than 790 feet from the outer boundary of the project area, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. The applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of the spacing unit. Said project area is located approximately 5 miles northwest of Navajo Dam.

CASE 11055: Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the W/2 of Section 34, Township 30 North, Range 8 West, NMPM, which is currently dedicated to its Thompson "LS" Well Nos. 2 and 2A located respectively in Units M and D. The applicant proposes to drill vertically its Thompson "LS" Well No. 2R as a replacement well for the Thompson "LS" Well No. 2 at a yet to be determined location in the SW/4 of Section 34 no closer than 790 feet from the outer boundary of the project area, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. The applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of the spacing unit. Said project area is located approximately 4 miles southwest of Navajo Dam.

CASE 11056: Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the E/2 of Section 19, Township 30 North, Range 8 West, NMPM, which is currently dedicated to its Lindsey A "LS" Well No. 1 located in Unit H. The applicant proposes to drill vertically its Lindsey A "LS" Well No. 1A from a standard surface location 790 feet from the South line and 1000 feet from the East line (Unit P) of Section 19, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. The applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of the spacing unit. Said project area is located approximately 4 miles southwest of Navajo Dam.

CASE 11002: (Readvertised)

Application of West Largo Corporation for compulsory pooling, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Rusty-Chacra Pool underlying the SW/4 of Section 4 and the NW/4 and SW/4 of Section 9, all in Township 21 North, Range 6 West, forming three standard 160-acre gas spacing and proration units for said pool. Each 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 wells 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 wells and a charge for risk involved in drilling and completing said wells. Said units are located approximately 9 miles south of Counselor, New Mexico.

CASE 10989: (Readvertised)

Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location and non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location to be drilled 1600 feet from the North line and 1400 feet from the West line (Unit F) of irregular Section 7, Township 22 South, Range 24 East, Indian Basin-Upper Pennsylvanian Gas Pool. Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 7 are to be dedicated to said well forming a non-standard 297.68-acre gas spacing and proration unit for said pool. Said unit is located approximately 4.5 miles south-southeast of the Marathon Oil Company Indian Basin Gas Plant.

CASE 10174: (Reopened)

In the matter of Case No. 10714 being reopened pursuant to the provisions of Division Order No. R-9902, which order approved the Ceja Pelon Unit in the Rio Puerco-Mancos Oil Pool, Sandoval County, and promulgated temporary special operating rules and regulations for said Ceja Pelon unit. The operator and all interest owners in said Unit may appear and show cause why the Special Operating Rules and Regulations should remain in effect.

CASE 11015: Application of Armstrong Energy Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to drill its Mobil Lea State Well No. 6 at an unorthodox oil well location 2590 feet from the North line and 1980 feet from the West line (Unit F) of Section 2, Township 20 South, Range 34 East, as an infill well on an existing 40-acre oil spacing and proration unit in the Undesignated Northeast Lea-Delaware Pool, which is currently dedicated to its Mobil Lea State Well No. 5 located at a previously approved unorthodox oil well location (Division Order No. R-10077) 2440 feet from the North line and 870 feet from the West line of said Section 2. Said unit is located approximately 8 miles south of the old Hobbs Army Air Force Auxiliary Airfield No. 4.

CASE 11016: Application of Texaco Exploration and Production Inc. for creation of a new pool in the Tubb formation, classification of this pool as an associated oil and gas pool and for the promulgation of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool in the NW/4 of Section 9, Township 23 South, Range 37 East, to be classified as an "associated pool" and to adopt the "General Rules and Regulations for the Associated Oil and Gas Pools in Northwest and Southeast New Mexico", as promulgated by Division Order No. R-5353, as amended, as the governing procedures for said pool and to include provisions for 40-acre oil and 160-acre gas spacing and proration units. Further, the applicant requests an increased gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil for said pool. Said area is located approximately 8 miles south of Eunice, New Mexico.

CASE 10991: (Continued from June 9, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, 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, which presently includes but is not necessarily limited to the Pecos Slope Abo 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 15 miles west-northwest of Elkins, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - JULY 7, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 21-94 and 22-94 are tentatively set for July 21, 1994 and August 4, 1994. 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 10976: (Continued from June 23, 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 10985: (Continued from June 9, 1994, Examiner Hearing.)

Application of Burk Royalty Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Hanson "C" (Federal) Lease comprising the SW/4 of Section 23, Township 20 South, Range 34 East, by the injection of water into the Yates interval of the Undesignated Lynch Yates-Seven Rivers Pool through perforations from approximately 3564 feet to 3585 feet in its existing Hanson "C" Well No. 4 located 1650 feet from the South and West lines (Unit K) of said Section 23. Said well is located approximately 11 miles east of the junction of U.S. Highway 62/180 and New Mexico State Highway No. 176.

CASE 11013: **Application of Baber Well Servicing Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval for its NM "BZ" State NCT-5 Well No. 5 drilled at an unorthodox oil well location 40 feet from the North line and 750 feet from the West line (Unit D) of Section 29, Township 21 South, Range 35 East, as an infill well on an existing 40-acre standard oil proration unit in the North San Simon-Yates Associated Pool, which is currently dedicated to the Pronghorn Management Corporation NM "BZ" State NCT-5 Well No. 1 located at a standard oil well location 660 feet from the North and West lines of said Section 29. Said unit is located approximately 8.5 miles west-southwest of Oil Center, New Mexico. FURTHER, a single operator for the subject 40-acre unit shall be designated by the applicant at the time of the hearing.

CASE 11014: **Application of Phillips Petroleum Company for a non-standard oil proration unit, an unorthodox oil well location, a high angle/horizontal directional drilling pilot project, special operating rules therefor, a special project oil allowable and production testing period, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks the formation of a non-standard 120-acre oil spacing and proration unit in the Cherry Canyon member of the Cabin Lake-Delaware Pool comprising the SE/4 SW/4 and the S/2 SE/4 of Section 11, Township 22 South, Range 30 East, for the purpose of initiating a high angle/horizontal directional drilling pilot project. The applicant proposes to commence drilling vertically at an unorthodox surface oil well location 1060 feet from the South line and 10 feet from the East line (Unit P) of said Section 11, kick-off at a depth of approximately 5100 feet in west-southwesterly direction, build angle to approximately 90 degrees, and continue to drill horizontally in the Cherry Canyon formation for approximately 2200 feet. Further, the applicant seeks the adoption of special operating provisions for said pilot project including the designation of a prescribed area limiting the horizontal extent of said wellbore to a target window no closer than 330 feet to the outer boundary of said proration unit, the assignment of an acreage factor of 3.0 to the proposed 120-acre unit, or three times the number of 40-acre tracts connected to form the project area, and an exception to Division General Rule 502 to establish a 12-month test period and an extended time to make up any accrued over production from said test period. Said project area is located approximately 4 miles east of International Minerals & Chemical Inc.'s potash mine and mill.

CASE 10996: (Continued from June 23, 1994, Examiner Hearing.)

Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 22, Township 18 South, Range 32 East, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to its existing Querecho Plains Unit Well No. 1 which was drilled at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 22. Also to be considered will be the valuation of the existing wellbore and the cost of 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 recompleting said well. Said unit is located approximately 8 miles south-southwest from Maljamar, New Mexico.

CASE 10989: **Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location and non-standard gas proration unit, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location to be drilled 1600 feet from the North line and 1650 feet from the West line (Unit F) of irregular Section 7, Township 22 South, Range 24 East, Indian Basin-Upper Pennsylvanian Gas Pool. Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 7 is to be dedicated to said well forming a non-standard 297.68-acre gas spacing and proration unit for said pool. Said unit is located approximately 4.5 miles south-southeast of the Marathon Oil Company Indian Basin Gas Plant.

CASE 10976: (Continued from May 26, 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 10839: (Continued from May 26, 1994, Examiner Hearing.)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 28, Township 18 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any Morrow Pools within said vertical extent which presently includes the Undesignated West La Rica-Morrow Gas Pool. Said unit is to be dedicated to its Ekay 28 State Well No. 1, to be drilled at an orthodox location within Unit J of said E/2 proration unit, 2050 feet from the South line and 1800 feet from the East line of said Section 28. 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 well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 12 miles southeast of Maljamar, New Mexico.

CASE 10990: **Application of Amoco Production Company for exception to deliverability testing for certain wells in the South Blanco-Pictured Cliffs Pool, Rio Arriba, San Juan, and Sandoval Counties, New Mexico.** Applicant, in the above styled cause, seeks an exception to the deliverability testing requirements for certain wells in the South Blanco-Pictured Cliffs Pool pursuant to RULE 9(c) of the General Rules for the Prorated Gas Pools of New Mexico, as promulgated by Division Order No. 1170-H, as amended. In accordance with said rules the applicant requests exceptions from deliverability testing requirements for its wells on marginal proration units in said pool which are not capable of producing the assigned 100 MCFPD minimum allowable.

CASE 10991: **Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, 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, which presently includes but is not necessarily limited to the Pecos Slope Abo 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 15 miles west-northwest of Elkins, New Mexico.

CASE 10992: **Application of Forcenergy Gas Exploration, Inc. for compulsory pooling and an unorthodox gas well location, Lea 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 14, Township 17 South, Range 35 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 South Shoe Bar-Atoka Gas Pool and Undesignated South Shoe Bar-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox gas well location 1600 feet from the South line and 1800 feet from the East line (Unit J) of said Section 14. 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 miles east-northeast of Buckeye, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 9, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

~~Applications Nos. 19-94 and 20-94~~ are tentatively set for June 23, 1994 and July 7, 1994. 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 10972: (Continued from May 26, 1994, Examiner Hearing.)

Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying the W/2 of Section 28, Township 26 North, Range 11 West, forming a standard 320-acre coal gas spacing and proration unit for said pool. Said unit is to be dedicated to the existing Buena Suerte 28-M Well No. 1 located at a standard coal gas well location 795 feet from the South line and 1210 feet from the West line (Unit M) of said Section 28. 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 overlain by the community of Huerfano.

CASE 10968: (Readvertised)

Application of Siete Oil and Gas Corporation for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Undesignated Willow Lake-Bone Spring Pool through the perforated interval from approximately 7300 feet to 7740 feet in its State "MA" Well No. 1 located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 3, Township 25 South, Range 28 East, NMPM. This well is located approximately 4 miles south of Malaga, New Mexico.

CASE 10985: (This case will be continued to the July 7, 1994, Examiner Hearing.)

Application of Burk Royalty Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Hanson "C" (Federal) Lease comprising the SW/4 of Section 23, Township 20 South, Range 34 East, by the injection of water into the Yates interval of the Undesignated Lynch Yates-Seven Rivers Pool through perforations from approximately 3564 feet to 3585 feet in its existing Hanson "C" Well No. 4 located 1650 feet from the South and West lines (Unit K) of said Section 23. Said well is located approximately 11 miles east of the junction of U.S. Highway 62/180 and New Mexico State Highway No. 176.

CASE 10986: **Application of Santa Fe Energy Operating Partners, L.P. for pool contraction and expansion, Eddy County, New Mexico.**

Applicant, in the above-styled cause, seeks to contract the boundaries of the Indian Basin-Upper Pennsylvanian Gas Pool by deleting therefrom Sections 4 through 8, Township 22 South, Range 24 East, NMPM, and Section 1, Township 22 South, Range 23 East, and the concomitant expansion of the boundaries for the Indian Basin-Upper Pennsylvanian Associated Pool to include said area. The subject acreage is centered approximately 4.5 miles southeast of the Marathon Oil Company Indian Basin Gas Plant.

CASE 10987: **Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location and non-standard gas proration unit, Eddy County, New Mexico.**

Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location to be drilled 660 feet from the South line and 1950 feet from the West line (Unit N) of Section 4, Township 22 South, Range 24 East, Indian Basin-Upper Pennsylvanian Gas Pool. The S/2 of said Section 4 is to be dedicated to said well forming a non-standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 5 miles southeast of the Marathon Oil Company Indian Basin Gas Plant.

CASE 10988: **Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location and non-standard gas proration unit, Eddy County, New Mexico.**

Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location to be drilled 1562 feet from the North line and 1202 feet from the West line (Unit D) of Section 5, Township 22 South, Range 24 East, Indian Basin-Upper Pennsylvanian Gas Pool. Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 5 is to be dedicated to said well forming a non-standard 372.88-acre gas spacing and proration unit for said pool. Said unit is located approximately 4.5 miles south-southeast of the Marathon Oil Company Indian Basin Gas Plant.

CASE 10977: (Readvertised)

Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location and non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location to be drilled 660 feet from the North line and 1980 feet from the East line (Unit B) of irregular Section 7, Township 22 South, Range 24 East, Indian Basin-Upper Pennsylvanian Gas Pool. The E/2 of said Section 7 is to be dedicated to said well forming a non-standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 4.5 miles south-southeast of the Marathon Oil Company Indian Basin Gas Plant.