

DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 18, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 25-94 and 26-94 are tentatively set for September 1, 1994 and September 15, 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 9253: (Reopened - Continued from August 4, 1994, Examiner Hearing.)

In the matter of Case No. 9253 being reopened pursuant to the provisions of Division Order No. R-8546, which order created the Santo Nino-Bone Spring Pool in Eddy County, New Mexico, and promulgated Temporary Special Rules and Regulations, including a provision for 80-acre spacing and proration units and designated well locations. All operators in said pool may appear and show cause why the Santo Nino-Bone Spring Pool should not be developed on 40-acre spacing units.

CASE 11066: **Application of Yates Energy Corporation for a unit agreement, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval of the McGruder Hill Unit Agreement for an area comprising 1543.82 acres, more or less, of Federal, State and Fee lands in portions of Sections 11 through 14, Township 22 South, Range 25 East, which is centered approximately 7.5 miles west-southwest of Carlsbad, New Mexico.

CASE 10996: (Continued from August 4, 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 11049: (Continued from August 4, 1994, Examiner Hearing.)

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 11038: (Continued from July 21, 1994, Examiner Hearing.)

Application of Meridian Oil Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks exceptions from Division General Rule 303(C) to establish on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde and Gallup gas production in the wellbores of existing or future wells drilled anywhere within Sections 26 through 30, 33, 34 and S/2 of 35 in Township 26 North, Range 6 West, said production being portions of the Basin-Dakota Pool, the Blanco Mesaverde Pool and Undesignated Gallup production. The center of said area is located approximately 4 miles southeast of El Paso Natural Gas Company Largo Station, New Mexico.

CASE 11067: **Application of Meridian Oil Inc. for a CO₂ injection pilot project, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to institute a carbon-dioxide (CO₂) gas injection pilot project within a portion of its Allison Unit Area by the injection of carbon-dioxide into the Basin-Fruitland Coal (Gas) Pool through four certain wells to be drilled in Section 24, Township 32 North, Range 7 West and Sections 19 and 30, Township 32 North, Range 6 West. Said project area is located approximately 2.5 miles south of the Colorado/New Mexico state-line at Mile Corner No. 246.

CASE 11028: (Continued from July 21, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle South Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com Well No. 47, located 1760 feet from the South line and 835 feet from the West line (Unit L) of Section 2, Township 27 North, Range 8 West, which is located approximately 13 miles southeast by east of Blanco, New Mexico.

CASE 11029: (Continued from July 21, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "G" Well No. 2A, located 1650 feet from the South and East lines (Unit J) of Section 32, Township 29 North, Range 8 West, which is located approximately 8 miles east-southeast of Blanco, New Mexico.

CASE 11030: (Continued from July 21, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "R" Well No. 14, located 940 feet from the South line and 990 feet from the West line (Unit M) of Section 36, Township 30 North, Range 9 West, which is located approximately 6 miles east-northeast of Turley, New Mexico.

CASE 11031: (Continued from July 21, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "Q" Well No. 13A, located 1500 feet from the South line and 1450 feet from the East line (Unit J) of Section 36, Township 29 North, Range 8 West, which is located approximately 12 miles east by south of Blanco, New Mexico.

CASE 11032: (Continued from July 21, 1994, examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool, Blanco-Mesaverde Pool, and Glades-Fruitland Sand Pool gas production within the wellbore of its State Com "S" Well No. 15A, located 790 feet from the North line and 1150 feet from the West line (Unit D) of Section 36, Township 32 North, Range 12 West, which is located approximately 8 miles east by north of La Plata, New Mexico.

CASE 11033: (Continued from July 21, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Glades-Fruitland Sand Pool gas production within the wellbore of its State Com "AJ" Well No. 34E, located 1185 feet from the South line and 1485 feet from the West line (Unit N) of Section 36, Township 32 North, Range 12 West, which is located approximately 8 miles east by north of La Plata, New Mexico.

CASE 11034: (Continued from July 21, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "AK" Well No. 35, located 790 feet from the North line and 1700 feet from the East line (Unit B) of Section 36, Township 32 North, Range 12 West, which is located approximately 8 miles east by north of La Plata, New Mexico.

CASE 11035: (Continued from July 21, 1994, Examiner Hearing.)

Application of Conoco Inc. 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 Otero-Chacra Pool gas production within the wellbore of its Graham "C-WN" Federal Well No. 1A, located 1050 feet from the South line and 1600 feet from the East line (Unit 0) of Section 9, Township 27 North, Range 8 West, which is located approximately 12.5 miles southeast by south of Blanco, New Mexico.

CASE 11036: (Continued from July 21, 1994, Examiner H)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its Bruington Well No. 15E, located 1650 feet from the North line and 1740 feet from the West line (Unit F) of Section 15, Township 30 North, Range 11 West, which is located approximately 1 mile southeast of Aztec, New Mexico.

CASE 11057: (Continued from August 4, 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 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. Said unit is to be dedicated to its Mallon "27" 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 11058: (Continued from August 4, 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 SW/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. Said unit is to be dedicated to its Mallon "27" 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 11059: (Continued from August 4, 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 August 4, 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 August 4, 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 August 4, 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 August 4, 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 11064: (Continued from August 4, 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 August 4, 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 11068: Application of Arco Permian to rescind Division Order No. R-4808-A and for the adoption of special rules and regulations for the Riverwolf Unit (the former Citgo Empire-Abo Unit) including special oil allowable provisions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks rescission of Division Order No. R-4808-A, which order provided for development of the Riverwolf Unit, formerly the Citgo Empire-Abo Unit, under statewide rules and seeks adoption of special allowable limits which will permit production rates at levels constituent with withdrawals from the off-setting Empire-Abo Unit. This unit is located approximately 8 miles east of Artesia, New Mexico.

CASE 11069: Application of Arco Permian for amendment of the special rules and regulations for the Empire-Abo Pressure Maintenance Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the special rules and regulations for the Empire-Abo Pressure Maintenance Project Area, as promulgated by Division Order Nos. R-4549 through R-4549-G, to permit partial gas sales of project gas and to amend the reporting requirements for project operations to accommodate these sales. This unit is located 6 to 12 miles east of Artesia, New Mexico.

CASE 11050: (Readvertised)

Application of EnRe Corporation for a high angle/horizontal directional drilling pilot project and for the promulgation of such special operating rules therefor, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to establish a high angle/horizontal directional drilling pilot project in the designated and Undesignated Boulder-Mancos Oil Pool comprising all of Section 22, Township 28 North, Range 1 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said project area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that the horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said project area is located approximately 3 miles west of Burford Lake.

CASE 11070: Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling, an unorthodox gas well location, and a non-standard gas proration unit, 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 Atoka formation underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 19, Township 23 South, Range 29 East, forming a non-standard 313.66-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 Laguna Salado-Atoka Gas Pool or the Undesignated South Culebra Bluff-Atoka Gas Pool. Said unit is to be dedicated to its Harroun Trust "19" Well No. 1, to be drilled at an unorthodox gas well location 1310 feet from the South line and 1330 feet from the West line of said Section 19. 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 four miles east of Loving, New Mexico.

CASE 11021: (Continued from July 21, 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 surface to the base of the Morrow formation underlying the E/2 of Section 22, Township 20 South, Range 25 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 Cemetery-Morrow Gas Pool or the Undesignated West Bubbling Springs-Morrow 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 miles south of Lakewood, New Mexico.

CASE 11071: Application of Mobil Exploration & Producing U.s. Inc. for a high angle/horizontal directional drilling project, special operating rules therefor, a non-standard oil spacing and proration unit and a special project allowable and testing period, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill three high angle/horizontal directionally drilled wells to the Drinkard formation in NW/4 of Section 34, and the NW/4 SW/4 of Section 33, Township 17 South, Range 35 East. Applicant further seeks the adoption of special operating provisions and rules within the project area including the designation of a target window for each of the horizontal wellbores such that its producing intervals can be no closer than 330 feet to any boundary of its respective oil spacing and proration unit consisting of N/2 NW/4 or S/2 NW/2 of Section 34 and the NW/4 SW/4 of Section 33, and for a special project allowable and testing period. Said project area is located approximately 3 miles east-southeast of Buckeye, New Mexico.

CASE 11020: (Continued from July 21, 1994, Examiner Hearing.)

Application of Paloma Resources, Inc. for simultaneous dedication of, in the alternative, pool creation, pool contraction and for two non-standard gas proration units, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 104.C(2) as outlined in Division Memorandum dated August 30, 1990, to authorize the concurrent production of its Peery Federal Well No. 2, located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 29, Township 15 South, Range 30 East, and its Peery Federal Well No. 3, located 1820 feet from the South line and 2140 feet from the West line (Unit K) of said Section 29 and the simultaneous dedication of said wells to a standard 320-acre gas spacing and proration unit comprising the S/2 of said Section 29 for production from the Little Lucky Lake-Morrow Gas Pool. **IN THE ALTERNATIVE**, the applicant seeks the contraction of the Little Lucky Lake-Morrow Gas Pool by deleting the SE/4 of said Section 29 from said pool and the concomitant creation of a new Morrow gas pool to comprise said acreage. Further, the applicant requests the formation of two non-standard 160-acre gas spacing and proration units for Morrow gas production from the SE/4 and SW/4 of said Section 29. Said area is located approximately 11.5 miles north by east of Loco Hills, New Mexico.

CASE 11013: (Continued from August 4, 1994, Examiner Hearing)

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 11072: In the matter of the application of the Oil Conservation Division upon its own motion for an order for creating, reclassifying, assigning a bonus discovery allowable, and extending certain pools in Eddy and Lea Counties, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Antelope Draw-Delaware Pool. The discovery well is the Pogo Producing Company Falcon Federal Well No. 1 located in Unit I of Section 1, Township 24 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

Section 1: SE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Caudill-Atoka (Gas) Pool. The discovery well is the V-F Petroleum Inc. Graham Well No. 1 located in Unit L of Section 9, Township 15 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM

Section 9: SW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for (McKee) Simpson production and designated as the Hardy Simpson Pool. The discovery well is the Conoco Inc. Hardy 36 State Well No. 1 located in Unit K of Section 36, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 36: SW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the North Lovington-Strawn Pool. The discovery well is the P G & E Resources Company Smith 15 Well No. 1 located in Unit N of Section 15, Township 16 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 15: SW/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production, designated as the Mesa Verde-Bone Spring Pool. The discovery well is the Meridian Oil Inc. Jack Tank 8 Federal Well No. 2 located in Unit E of Section 8, Township 24 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 8: NW/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Pronghorn-Bone Spring Pool. The discovery well is the Yates Petroleum Corporation Pronghorn AHO Federal Well No. 1 located in Unit G of Section 6, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM

Section 6: NE/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the West Ranger Lake-Atoka (Gas) Pool. The discovery well is the Phillips Petroleum Company Ranger Well No. 17 located in Unit M of Section 26, Township 12 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM

Section 26: S/2

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the West Sanmal-Queen Pool. The discovery well is the Phillips Petroleum Company Phillips E State Well No. 34 located in Unit P of Section 9, Township 17 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 9: SE/4

- (i) ASSIGN a bonus discovery allowable of 35,850 barrels of oil to the Enron Oil & Gas Company Mesa Verde 6 Federal Well No. 2 located in Unit J of Section 6, Township 24 South, Range 32 East, NMPM, to be produced over a two year period. This well produces from the Mesa Verde-Delaware Pool, created by Division Order R-10091, effective April 1, 1994. The discovery allowable to be retroactive to February 1, 1994.

- (j) REDESIGNATE the Caudill-Permo Pennsylvanian Pool in Lea County, New Mexico, as the Caudill-Permo Upper Pennsylvanian Pool.

- (k) EXTEND the Bootleg Ridge-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 12: E/2

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM

Section 7: S/2

- (l) EXTEND the Hat Mesa-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 30: SE/4

Section 31: NE/4

- (m) EXTEND the House-Blinbry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM

Section 35: SW/4

- (n) EXTEND the Lea-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 13: W/2

- (o) EXTEND the Northeast Lea-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 2: NW/4
- (p) EXTEND the East Livingston Ridge-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 9: SE/4
Section 18: NW/4
- (q) EXTEND the Lost Tank-Delaware Pool in Eddy and Lea Counties, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 6: NW/4
- (r) EXTEND the West Lovington-Strawn Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 34: SW/4
- (s) EXTEND the Mesa Verde-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 6: NE/4
- (t) EXTEND the Monument-Tubb Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 14: E/2 NE/4
- (u) EXTEND the Red Hills-Bone Spring Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Section 12: SE/4
Section 13: NE/4

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 7: W/2 and NE/4
- (v) EXTEND the Red Tank-Bone Spring Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 23: N/2
- (w) EXTEND the South Red Tank-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 25: SW/4
- (x) EXTEND the West Red Tank-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 14: SW/4
Section 22: SE/4
Section 27: NE/4
Section 34: NE/4
Section 35: NW/4

- (y) EXTEND the Reeves-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 11: E/2

- (z) EXTEND the West Tristle Draw-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 30: E/2

- (aa) EXTEND the Vacuum-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 36: SW/4

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 31: S/2

Section 32: SW/4

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 5: NW/4

- (bb) EXTEND the Vacuum-Grayburg San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 36: SW/4

- (cc) EXTEND the Young-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 3: SW/4

CASE 11073: In the matter of the application of the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Rio Arriba, San Juan, and Sandoval Counties, New Mexico.

- (a) CREATE a new pool in San Juan County, New Mexico, for Chacra production and designated as the Bisti-Chacra Pool. The discovery well is the Dugan Production Hendrix Well No. 1 located in Unit B, Section 7, Township 22 North, Range 8 West, NMPM. Said pool would comprise:

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM

Section 7: NE/4

- (b) CREATE a new pool in Rio Arriba County, New Mexico, for Pictured Cliffs production and designated as the Carracas-Pictured Cliffs Pool. The discovery well is the Nassau Resources Inc. Carracas Unit PC 26B Well No. 3 located in Unit C of Section 26, Township 32 North, Range 4 West, NMPM. Said pool would comprise:

TOWNSHIP 32 NORTH, RANGE 4 WEST, NMPM

Section 26: NW/4

- (c) CREATE a new pool in San Juan County, New Mexico, for Dakota production and designated as the Gallegos-Dakota Oil Pool. The discovery well is the Coleman Oil & Gas Company Navajo Smith Well No. 1 located in Unit G of Section 24, Township 28 North, Range 12 West, NMPM. Said pool would comprise:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM

Section 24: SW/4 NE/4

- (d) CREATE a new pool in Rio Arriba County, New Mexico, for Pictured Cliffs production and designated as the Oso-Pictured Cliffs Pool. The discovery well is the Meridian Oil Inc. San Juan 28-5 Unit Well No. 228 located in Unit A of Section 24, Township 28 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM

Section 24: NE/4

- (e) EXTEND the Alamito-Gallup Oil Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM

Section 02: NW/4

TOWNSHIP 23 NORTH, RANGE 8 WEST, NMPM

Section 35: S/2 S/2

Section 36: S/2 SW/4

- (f) EXTEND the BS Mesa-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 02: NE/4

- (g) EXTEND the Ballard-Pictured Cliffs Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 2 WEST, NMPM

Section 04: NW/4

TOWNSHIP 23 NORTH, RANGE 2 WEST, NMPM

Section 30: S/2

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 11: E/2

Section 12: NW/4

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 17: ALL

Section 18: N/2, SE/4

Section 20: NE/4

- (h) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM

Section 17: S/2

Section 18: E/2

Section 19: E/2

Section 20: ALL

Section 21: W/2

Section 28: W/2

Section 29: E/2

- (i) EXTEND the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 10 WEST, NMPM

Section 06: W/2 SW/4

TOWNSHIP 23 NORTH, RANGE 11 WEST, NMPM

Section 01: SE/4

- (j) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan counties, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM
Section 03: ALL

- (k) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM
Section 31: NE/4
Section 32: ALL

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 01: ALL
Section 02: ALL
Section 03: ALL
Section 04: E/2
Section 10: N/2
Section 11: N/2
Section 12: ALL
Section 13: NE/4

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 33: SE/4
Section 34: S/2
Section 35: S/2
Section 36: S/2

- (l) EXTEND the East Blanco-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM
Section 05: W/2

TOWNSHIP 31 NORTH, RANGE 3 WEST, NMPM
Section 32: SW/4

- (m) EXTEND the South Blanco-Tocito Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM
Section 32: N/2 SW/4

- (n) EXTEND the Choza Mesa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM
Section 16: W/2
Section 17: S/2

- (o) EXTEND the Dufers Point Gallup-Dakota Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM
Section 6: N/2

- (p) EXTEND the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM

Section 35: S/2
Section 36: ALL

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 04: S/2
Section 05: S/2
Section 08: ALL
Section 09: ALL
Section 10: SW/4

- (q) EXTEND the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM

Section 04: ALL
Section 05: ALL

- (r) EXTEND the Gobernador-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM

Section 07: ALL

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM

Section 11: ALL
Section 12: ALL
Section 14: NE/4

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM

Section 31: SE/4 and W/2
Section 32: SW/4

TOWNSHIP 29 NORTH, RANGE 5 WEST, NMPM

Section 26: SE/4
Section 35: E/2
Section 36: ALL

- (s) EXTEND the Horseshoe-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM

Section 17: W/2 SW/4
Section 19: E/2 NW/4 and E/2
Section 20: W/2

- (t) EXTEND the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 17: W/2
Section 19: ALL
Section 20: W/2
Section 29: NW/4
Section 30: N/2

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 22: NW/4

- (s) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 19: S/2

- (t) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM

Section 22: SW/4

- (u) That the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM

Section 01: SW/4

Section 02: SE/4

Section 17: SW/4

Section 18: S/2

Section 22: S/2

Section 27: N/2

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM

Section 02: SW/4

Section 03: S/2

Section 04: SE/4

Section 09: NE/4

Section 10: N/2

Section 11: NW/4

Section 13: SE/4

Section 24: E/2

- (v) EXTEND the Rio Puerco-Mancos Oil Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 21 NORTH, RANGE 2 WEST, NMPM

Section 35: W/2

- (w) EXTEND the South San Luis-Mesaverde Oil Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 18 NORTH, RANGE 3 WEST, NMPM

Section 33: SE/4 NW/4

DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 4, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 24-94 and 25-94 are tentatively set for August 18, 1994 and September 1, 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 9253: (Reopened)

In the matter of Case No. 9253 being reopened pursuant to the provisions of Division Order No. R-8546, which order created the Santo Nino-Bone Spring Pool in Eddy County, New Mexico, and promulgated Temporary Special Rules and Regulations, including a provision for 80-acre spacing and proration units and designated well locations. All operators in said pool may appear and show cause why the Santo Nino-Bone Spring Pool should not be developed on 40-acre spacing units.

CASE 10976: (Continued from July 7, 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 11013: (Continued from July 7, 1994, Examiner Hearing)

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 11046: **Application of Primero Operating, Inc. for an unorthodox oil well location, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hi-Way State Well No. 1 which is currently being drilled at an unorthodox oil well location 2417 feet from the South line and 2245 feet from the East line (Unit J) of Section 36, Township 10 South, Range 27 East, to test the Devonian formation. The NW/4 SE/4 of said Section 36 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 11 miles northeast of Bottomless Lake State Park, New Mexico.

CASE 11003: (Continued from July 21, 1994, Examiner Hearing.)

Application of Hal J. Rasmussen Operating, Inc. for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Farnsworth A Lease in Section 13, Township 26 South, Range 36 East, by the injection of water into the Seven Rivers formation, Scarborough Yates-Seven Rivers Pool, through its Farnsworth A Wells No. 1 and 2 located in Units A and P, respectively, of said Section 13. Said project is located approximately 4 miles south-southwest of Jal, New Mexico.

CASE 11047: **Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its Johnson "POW" Well No. 1 at an unorthodox coal gas well location 240 feet from the South line and 340 feet from the East line (Unit P) of Section 21, Township 27 North, Range 10 West, NMPM, in the Basin-Fruitland Coal Gas Pool. The E/2 of Section 21 is to be simultaneously dedicated to the above-described well and to the existing Johnson Well No. 2 located 1625 feet from the South line and 1090 feet from the East line (Unit D), for the purpose of conducting a reservoir study within the Basin-Fruitland Coal Gas Pool. Said well is located approximately 11 miles southeast of Bloomfield, New Mexico.

CASE 11038: (Continued from July 21, 1994, Examiner Hearing.)

Application of Meridian Oil Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks exceptions from Division General Rule 303(C) to establish on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde and Gallup gas production in the wellbores of existing or future wells drilled anywhere within Sections 26 through 30, 33, 34 and S/2 of 35 in Township 26 North, Range 6 West, said production being portions of the Basin-Dakota Pool, the Blanco Mesaverde Pool and Undesignated Gallup production. The center of said area is located approximately 4 miles southeast of El Paso Natural Gas Company Largo Station, New Mexico.

CASE 11039: (Continued from July 21, 1994, Examiner Hearing.)

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 Aztec-Pictured Cliffs Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its existing Fifield Well No. 2, located 1650 feet from the South line and 1090 feet from the East line (Unit I) Section 5, Township 29 North, Range 11 West. Said well is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a 305.92-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool comprising Lots 1 and 2, the S/2 NE/4 and SE/4 (E/2 equivalent) of said Section 5. Said well is located approximately 3.5 miles north northwest of Bloomfield, New Mexico.

CASE 11042: (Continued from July 21, 1994, Examiner Hearing.)

Application of Meridian Oil Inc. for salt water disposal, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Jillison Federal SWD Well No. 1 in the SE/4 NW/4 (Unit F) of Section 8, Township 24 North, Range 3 West, for the purpose of disposing produced salt water into the Entrada formation through perforations from approximately 8441 feet to 8683 feet. Said location is approximately 6 miles west-northwest of Lindrieth, New Mexico.

CASE 11048: **Application of Bass Enterprises Production Co. for compulsory pooling, Eddy 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 S/2 of Section 30, Township 23 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. Said unit is to be dedicated to a well to be drilled and completed 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 6.0 miles northwest of Poker Lake.

CASE 10996: (Continued from July 7, 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 11002: (Continued from July 7, 1994, Examiner Hearing.)

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, Township 21 North, Range 6 West, forming a standard 160-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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 9 miles south of Counselor, 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 11057: 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 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. Said unit is to be dedicated to its Mallon "27" 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 11058: 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 SW/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. Said unit is to be dedicated to its Mallon "27" 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 11059: 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: 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: 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: 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: 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 11064: 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: 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 11021: (Continued from July 21, 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 surface to the base of the Morrow formation underlying the E/2 of Section 22, Township 20 South, Range 25 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 Cemetery-Morrow Gas Pool or the Undesignated West Bubbling Springs-Morrow 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 miles south of Lakewood, New Mexico.

CASE 11037: (Continued from July 21, 1994, Examiner Hearing.)

Application of Yates Energy Corporation for an unorthodox gas well location and non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to drill a well at an unorthodox gas well location 1680 feet from the South line and 330 feet from the West line (Lot 5-Unit L) of Irregular Section 12, Township 22 South, Range 25 East, to test the Undesignated Revelation Morrow Gas Pool. Lots 4, 5, 6 and 7 and the SE/4 (S/2 equivalent) of said Section 12 is to be dedicated to said well to form a non-standard 332.74-acre gas spacing and proration unit. Said unit is located approximately 7 miles west of Carlsbad, New Mexico.

CASE 11043: (Continued from July 21, 1994, Examiner Hearing.)

Application of J. K. Edwards Associates, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to utilize its Bengal "A" Well No. 1, located 1980 feet from the South and West lines (Unit K) of Section 1, Township 26 North, Range 12 West, to dispose of produced salt water into the Gallegos-Gallup Associated Pool through the perforated interval from approximately 4993 feet to 5174 feet. Said well is located approximately 16.5 miles southeast by east of Farmington, New Mexico.

DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 11, 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 10955: (De Novo)

Application of Consolidated Oil & Gas Inc. to amend Division Order No. R-9033, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9033 which designated Richmond Petroleum Inc. as operator and compulsory pooled Lots 1 and 2, the S/2 NE/4 and the SE/4 (E/2 equivalent) of Section 9, Township 32 North, Range 6 West, for the drilling of the Federal 32-6-9 Well No. 1 at an unorthodox coal gas well location (see also Division Administrative Order NSL-2720) 510 feet from the North line and 210 feet from the East line (Unit A) of said Section 9 in the Basin-Fruitland Coal Gas Pool and forming a 279.40-acre gas spacing and proration unit. These amendments are to include the substitution of the applicant as operator, to provide a supplemental election to participate, to add additional parties, to revise the various reporting dates in this order and to otherwise reissue and renew the subject order including the recovery of both actual and future costs of drilling and completing the said well including a charge for the risk involved. Said unit is bounded to the north by the State of Colorado at Mile Post No. 243. Upon application of Edmund T. Anderson, IV, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10956: (De Novo)

Application of Consolidated Oil & Gas Inc. to amend Division Order No. R-9178, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9178 which designated Richmond Petroleum Inc. as operator and compulsory pooled Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of irregular Section 11, Township 32 North, Range 6 West, for the drilling of the Miller "11" Well No. 1 at an unorthodox coal gas well location 1132 feet from the North line and 760 feet from the West line (Unit E) of said Section 11, in the Basin-Fruitland Coal Gas Pool and forming a 232.80-acre non-standard gas spacing and proration unit. These amendments are to include the substitution of the applicant as operator, to provide a supplemental election to participate, to add additional parties, to revise the various reporting dates in this order and to otherwise reissue and renew the subject order including the recovery of both actual and future costs of drilling and completing the said well including a charge for the risk involved. Said unit is bounded to the North by the State of Colorado for one-half mile of either side of Astronomical Monument No. 8 located on the New Mexico/Colorado stateline. Upon application of James J. Rubow, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10957: (De Novo)

Application of Consolidated Oil & Gas Inc. to amend Division Order No. R-9179, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9179 which designated Richmond Petroleum Inc. as operator and compulsory pooled the S/2 of Section 11, Township 32 North, Range 6 West, for the drilling of the Carnes "11" Well No. 1 at an unorthodox coal gas well location 1800 feet from the South line and 230 feet from the West line (Unit L) of said Section 11 in the Basin-Fruitland Coal Gas Pool and forming a standard 320-acre gas spacing and proration unit. These amendments are to include the substitution of the applicant as operator, to provide a supplemental election to participate, to add additional parties, to revise the various reporting dates in this order and to otherwise reissue and renew the subject order including the recovery of both actual and future costs of drilling and completing the said well including a charge for the risk involved. Said unit is located approximately 1/2 mile south of Astronomical Monument No. 8 located on the Colorado/New Mexico stateline. Upon application of James J. Rubow and Edmund T. Anderson, IV, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10960: (De Novo)

Application of Mewbourne Oil Company for approval of a waterflood project and qualification for the recovered oil tax rate, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute a waterflood project in its proposed Querecho Plains-Queen Associated Sand Unit Area (being the subject of Case No. 10959) located in portions of Sections 21 through 23 and Sections 26 through 28, Township 18 South, Range 32 East, by the injection of water into the Querecho Plains-Queen Associated Pool through 10 injection wells located within the unit area. Applicant further seeks authority to inject into said pool at a surface injection pressure in excess of the Division established standard of 0.2 psi per foot of depth. Applicant further seeks to qualify this project as an "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" (Laws of 1992, Chapter 38, Sections 1 through 5). This project is located approximately 8 miles south of Maljamar, New Mexico. Upon the application of Mewbourne Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.