

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION COMMISSION
4 STATE LAND OFFICE BUILDING
5 SANTA FE, NEW MEXICO

6 21 September 1989

7 COMMISSION HEARING

8 IN THE MATTER OF:

9 In the matter of cases called on this CASES
10 date and action taken without testimony 9667
11 being presented. 9543
12 9544
13 9617
14 9670
15 9697

16 BEFORE: William J. Lemay, Chairman
17 William W. Weiss, Commissioner
18

19 TRANSCRIPT OF HEARING

20 A P P E A R A N C E S

21 For the Division: Robert G. Stovall
22 Attorney at Law
23 Legal Counsel to the Division
24 State Land Office Bldg.
25 Santa Fe, New Mexico

I N D E X

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3	CASE 9667	3
4	CASE 9543	4
5	CASE 9544	5
6	CASE 9617	6
7	CASE 9670	7
8	CASE 9697	8
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1 MR. LEMAY: Good morning. This
2 is the Oil Conservation Commission so if you're here for
3 unemployment benefits, go somewhere else.

4 Also, I'd like to introduce
5 our new commissioner, Mr. Bill Weiss. That's W-E-I-S-S not
6 W-I-S-E, because we'll see how wise he turns out to be.
7 But we're very pleased to have him. He's just taking Ernie
8 Brostuen's place and those of you who attended the Gavilan
9 hearing or have been down to Socorro know Bill is a quali-
10 fied petroleum engineer, spent some time in the oil patch
11 and he could be a great compliment to the Commission.

12 First I'd like to call Case
13 Number 9667.

14 MR. STOVALL: Application of
15 Midland Phoenix Corporation for an unorthodox gas well
16 location and compulsory pooling, Lea County, New Mexico.

17 This case is being readver-
18 tised. It was heard at the previous Commission hearing.

19 MR. LEMAY: Is there anything
20 -- anyone who that has anything to say and present in Case
21 9667?

22 If not, the Commission will
23 take that case under advisement.

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(Hearing concluded.)

1 MR. LEMAY: Call Case 9643.

2 MR. STOVALL: 96 or 95?

3 MR. LEMAY: I'm sorry, 9543.

4 MR. STOVALL: Application of
5 Meridian Oil, Inc., for compulsory pooling, San Juan
6 County, New Mexico.

7 Applicant requests this case
8 be dismissed.

9 MR. LEMAY: At the request of
10 the applicant and without any objection, Case Number 9643
11 will be dismissed.

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13 (Hearing concluded.)

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1 MR. LEMAY: Case Number 9544.

2 MR. STOVALL: Application of
3 Meridian Oil, Inc., for compulsory pooling, San Juan
4 County, New Mexico.

5 Applicant requests this case
6 be dismissed.

7 MR. LEMAY: Without any ob-
8 jection and at the request of the applicant, this case will
9 be dismissed.

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11 (Hearing concluded.)
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1 MR. LEMAY: Case Number 9617.

2 MR. STOVALL: Application of
3 Curry & Thornton for an unorthodox oil well location and
4 nonstandard proration unit, Chaves County, New Mexico.

5 Applicant requests this case
6 be continued to the October 19th, 1989, Commission hearing.

7 MR. LEMAY: Without objection,
8 Case Number 9617 will be continued to the Commission
9 hearing on October 19th.

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11 (Hearing concluded.)
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1 MR. LEMAY: Call next Case
2 number 9670.

3 MR. STOVALL: Application of
4 Stevens Operating Corporation to amend Division Order
5 Number R-8017, directional drilling, and an unorthodox oil
6 well location, Chaves County, New Mexico.

7 Applicant requests this case
8 be continued to October 19th, 1989.

9 MR. LEMAY: If there are no
10 objections, Case Number 9670 will be continued to the
11 Commission Hearing October 19th.

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13 (Hearing concluded.)
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1 MR. LEMAY: Case Number 9697.

2 MR. STOVALL: Application of
3 Santa Fe Exploration Company for an amendment of the
4 special pool rules and regulations for the North King Camp
5 Devonian Pool, Chaves County, New Mexico.

6 Applicant requests this case
7 be continued to October 19th, 1989.

8 MR. LEMAY: If there is no
9 objections, Case Number 9697 will be continued to the Com-
10 mission Hearing on October 19th.

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12 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C. S. R. DO HEREBY
CERTIFY that the foregoing Transcript of Hearing before the
Oil Conservation Division (Commission) was reported by me;
that the said transcript is a full, true and correct record
of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

CASE 9657: (De Novo) (Continued and Readvertised.)

Application of Midland Phoenix Corporation for an unorthodox gas well location and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Pitchfork Ranch-Atoka Gas Pool and the Undesignated Pitchfork Ranch-Morrow Gas Pool underlying the E/2 of Section 34, Township 24 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for both pools, to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line (Unit C) of said Section 34. 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 unit is located approximately 3 miles west-southwest of the Junction of Old State Highway No. 128 and County Road No. 2. Upon application of Enron Oil and Gas Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9543: (De Novo) (Continued and Readvertised.)

Application of Meridian Oil, Inc. 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 16, Township 32 North, Range 10 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its EPNG Com C Well No. 100 to be drilled at a standard gas well location in the NE/4 SW/4 (Unit K) of said Section 16. 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 unit is located approximately 3.1 miles north of Cedar Hill, New Mexico. Upon application of Fina Oil and Chemical Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9544: (De Novo) (Continued and Readvertised.)

Application of Meridian Oil, Inc. 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 E/2 of Section 16, Township 32 North, Range 10 West, forming a standard 320-acre gas spacing and proration unit for said pool, to be dedicated to its Burroughs Com A Well No. 100 to be drilled at a standard gas well location in the SW/4 NE/4 (Unit G) of said Section 16. 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 unit is located approximately 3.1 miles north of Cedar Hill, New Mexico. Upon application of Fina Oil and Chemical Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9517: (De Novo) (Continued from August 17, 1989. Commission Hearing.)

Application of Curry and Thornton for an unorthodox oil well location and a non-standard proration unit. Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1980 feet from the South line and 2475 feet from the West line (Unit K) of Section 9, Township 14 South, Range 29 East, Undesignated North King Camp-Devonian Pool, the E/2 W/2 of said Section 9 to be dedicated to a well forming a non-standard 160-acre oil spacing and proration unit for said pool. Said location is approximately 17 miles east of Hagerman, New Mexico. Upon application of Santa Fe Exploration Company and Curry and Thornton, this case will be heard De Novo pursuant to the provisions of Rule 1220.

- (c) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:
TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 20: NE/4
- (d) EXTEND the Escrito-Gallup Oil Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:
TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM
Section 30: E/2 NW/4
- (e) EXTEND the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, to include therein:
TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM
Section 3: All
- (f) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:
TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM
Section 28: S/2
- (g) 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 15: S/2 N/2 and S/2
Section 16: N/2 and N/2 SE/4
- (h) EXTEND the North Pinion-Fruitland Sand Pool in San Juan County, New Mexico, to include therein:
TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM
Section 29: NW/4

Docket 28-89

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 21, 1989

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

CASE 9758: In the matter of the hearing called by the Oil Conservation Division on its own motion to amend Rules 9.1, 106, 111, 117, 118, 301, 303, 309-C, 503, 505, 506, 509, 1100, 1113, 1122, and 1304 of the General Rules and Regulations for the New Mexico Oil Conservation Division. These changes are primarily to clarify language and do not change the impact of the rules. Copies of the proposed changes can be obtained from the Division's office in Santa Fe.

CASE 9759: In the matter of the hearing called by the Oil Conservation Division of the Energy, Minerals and Natural Resources Department on its own motion to amend General Rules 312 and 711 to require bonds for treating plants to be in place prior to the commencement of construction instead of at the time of application.

of the southern half of the subject proration unit. Applicant further seeks an exception to Rule 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Pool as promulgated by Division Order No. R-8170, as amended, allowing a third well to be drilled and produced on an existing proration unit in which are dedicated the Riddle Well Nos. 1 and 1-A located in Units D and L, respectively, of said Section 4. Said unit is located approximately 11 miles east of Aztec, New Mexico.

CASE 9746: (Readvertised)

Application of Richmond Petroleum Inc. 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 S/2 of Section 9, Township 32 North, Range 6 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 coal gas well location in the SW/4 of said Section 9. 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 unit is located approximately 1/2 mile south of Mile Post No. 243 which is located on the Colorado/New Mexico stateline.

CASE 9756: (Continued from September 6, 1989, Examiner Hearing.)

Application of Bill Penn, Inc. to amend Division Order No. R-8890, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8890, dated March 14, 1989, which authorized the applicant to dually complete its Roaring Springs Federal Com. Well No. 1 in the Indian Basin-Upper Pennsylvanian and Indian Basin-Morrow Gas Pools at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 14, Township 21 South, Range 23 East, by allowing the applicant to recomple up the hole from the Morrow zone to the Strawn formation whereby said well would be dually completed in the Indian Basin-Upper Pennsylvanian Gas Pool and the Strawn formation. Said Order No. R-8890 is to be further amended to include authorization for an unorthodox gas well location in the Strawn formation, the N/2 of said Section 14 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for the Strawn interval. Said well is located approximately 1.25 miles north-northwest of the Marathon Oil Company Indian Basin Gas Plant.

CASE 9766: Application of Doyle Hartman 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 for an unorthodox gas well location for its A.L. Christmas Well No. 1 to be drilled 990 feet from the North line and 450 feet from the West line (Unit D) of Section 18, Township 22 South, Range 37 East, Eunot Gas Pool, Lots 1, 2, 3, and 4 of said Section 18 to be dedicated to said well forming a non-standard 147.96-acre spacing and proration unit for said pool. This unit is located approximately 4.25 miles southwest of Eunice, New Mexico.

CASE 9767: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order extending certain pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

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

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM
Section 32: S/2 NW/4 and SW/4

TOWNSHIP 25 NORTH, RANGE 13 WEST, NMPM
Section 04: N/2 N/2

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

TOWNSHIP 23 NORTH, RANGE 10 WEST, NMPM
Section 5: S/2 SE/4

CASE 9748: (Continued from September 6, 1989. Examiner Hearing.)

Application of Conoco Inc. for revision of Division Order No. R-5008 and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to revise the two Eumont Gas Pool proration units described in Division Order No. R-5008 to eliminate the 40-acre tract being the SW/4 NW/4 of Section 10, Township 20 South, Range 37 East, from said order and to establish a 540-acre non-standard gas proration unit comprising the SW/4 of Section 10 and the W/2 and W/2 E/2 of Section 15, both in said Township 20 South, Range 37 East, to be simultaneously dedicated to the Britt "B" Wells Nos. 3, 15, and 16 all located at previously approved unorthodox gas well locations in Unit L of Section 15, Unit M of Section 10, and Unit C of Section 15, respectively. Said unit is located approximately 3.5 miles south-southeast of Monument, New Mexico.

CASE 9762: Application of TXO Production Corp. for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to directionally drill from a surface location 900 feet from the South line and 1815 feet from the West line (Unit N of Section 11, Township 20 South, Range 29 East, to a standard bottomhole oil well location in the Strawn formation within 50 feet of a point 825 feet from the North line and 1815 feet from the West line (Unit C) of Section 14, Township 20 South, Range 29 East, the NE/4 NW/4 of said Section 14 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated South Parkway-Strawn Pool. This well location is approximately 4.25 miles north-northwest of the junction of U.S. Highway 62/180 and New Mexico State Highway 31.

CASE 9763: Application of TXO Production Corp. for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authorization to directionally drill from a surface location 100 feet from the North line and 1560 feet from the East line (Unit B) of Section 15, Township 20 South, Range 29 East, to a standard bottomhole oil well location in the Strawn formation within 50 feet of a point 1815 feet from the North line and 825 feet from the East line (Unit H) of said Section 15, the SE/4 NE/4 of said Section 15 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated South Parkway-Strawn Pool. This well location is approximately 4 miles northwest of the junction of U.S. Highway 62/180 and New Mexico State Highway 31.

CASE 9764: Application of Meridian Oil, Inc. for a highly-deviated directional drilling pilot project, unorthodox gas well location and an exception to Rule 2(b) of the Special Rules Governing the Blanco-Mesaverde Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a highly-deviated directional drilling pilot project in the equivalent E/2 (Lots 1, 2, 7, 8, 9, 10, 15, and 16) of Section 14, Township 30 North, Range 8 West, forming a 284.20-acre gas spacing and proration unit in the Blanco-Mesaverde Pool, by commencing its Howell "E" Well No. 2R at an unorthodox surface location 435 feet from the North line and 1555 feet from the East line of said Section 14, then drilling to a true vertical depth of approximately 3421 feet then commencing a medium radius curve in a southerly direction to encounter the top of the Blanco-Mesaverde Pool at a true vertical depth of approximately 4142 feet at which point the wellbore will be drilled to the base of the Blanco-Mesaverde Pool at a true vertical depth of approximately 5415 feet to a terminus at a standard bottomhole location in the SE/4 of said Section 14 being no closer than 790 feet from the outer boundary of the southern half of the subject proration unit. Applicant further seeks an exception to Rule 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Pool as promulgated by Division Order No. R-8179, as amended, allowing a third well to be drilled and produced on an existing proration unit in which are dedicated the Howell "E" Wells Nos. 2 and 2A located in Units A and P, respectively, of said Section 14. Said unit is located approximately 20 miles east of Aztec, New Mexico.

CASE 9765: Application of Meridian Oil, Inc. for a highly-deviated directional drilling pilot project, unorthodox gas well location and an exception to Rule 2(b) of the Special Rules Governing the Blanco-Mesaverde Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a highly-deviated directional drilling pilot project in the equivalent W/2 (Lots 3 and 4, the S/2 NW/4, and the SW/4) of Section 4, Township 30 North, Range 9 West, forming a 322.70-acre gas spacing and proration unit in the Blanco-Mesaverde Pool, by commencing its Riddle Well No. 1R at an unorthodox surface location 250 feet from the North line and 830 feet from the West line of said Section 4, then drilling to a true vertical depth of approximately 3830 feet then commencing a medium radius curve in a southerly direction to encounter the top of the Blanco-Mesaverde Pool at about 4550 feet at which point the wellbore will be drilled to the base of the Blanco-Mesaverde Pool at a true vertical depth of approximately 5750 feet to a terminus at a standard bottomhole location in the SW/4 of said Section 4 being no closer than 790 feet from the outer boundary

line (Unit C) of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of 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 well location is approximately 8 miles west by north of Seven Rivers, New Mexico.

CASE 9758: Application of Bettis Brothers, Inc. for acreage rededication and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to rededicate the E/2 of Section 16, Township 23 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit in the Strawn formation, to the State 16 Well No. 1 located at an unorthodox gas well location for said unit 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 16. This well is located approximately 1 mile west of the New Mexico Motor Transportation Division Port of Entry station at Carlsbad.

CASE 9759: Application of Nearburg Producing Company for a non-standard gas proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Howe Well No. 1 to be drilled 660 feet from the South and West lines (Unit M) of Section 6, Township 19 South, Range 27 East, to test the Morrow formation, Lots 3 through 7, the SE/4 NW/4, and the E/2 SW/4 of said Section 6 to be dedicated to said well to form a non-standard 314.45-acre gas spacing and proration unit in the Undesignated Four Mile Draw-Morrow or Undesignated East Lake-Morrow Gas Pools. This well is located approximately 4.5 miles northeast of Lakewood, New Mexico.

CASE 9760: Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Malaga-Atoka Gas Pool underlying the S/2 of Section 1, Township 24 South, Range 28 East, 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 unit is located approximately 2 miles northeast of Malaga, New Mexico.

CASE 9761: Application of Mobil Producing Texas and New Mexico, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to deepen its State "L" Well No. 4 to the North Vacuum Atoka-Morrow Gas Pool at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 21, Township 17 South, Range 35 East, the W/2 of said Section 21 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool. This well is located approximately 2.5 miles northeast by east of Buckeye, New Mexico.

CASE 9725: (Continued from August 23, 1989, Examiner Hearing.)

Application of Haylan Oil 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 Ellenberger formation underlying the SW/4 of Section 25, Township 19 South, Range 38 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing and the NE/4 SW/4 of said Section 25 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing (which presently includes but is not necessarily limited to the Undesignated House-Blinberry Pool, the Undesignated North House-Tubb Pool, the Undesignated Nadine Drinkard-Abo Pool and the Undesignated East Nadine-Drinkard Pool). Both aforementioned units are to be dedicated to a single well to be drilled at a standard location in the NE/4 SW/4 (Unit K) of said Section 25. 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 well location is approximately 1.3 miles east-northeast of Nadine, New Mexico.

Dockets Nos. 29-89 and 30-89 are tentatively set for October 4 and October 18, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 20, 1989
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, or Victor T. Lyon, Alternate Examiners:

CASE 9712: (Continued from September 6, 1989, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Tom L. Ingram, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Chappell "5" Well No. 1 located 2310 feet from the North line and 990 feet from the West line (Unit E) of Section 5, Township 12 North, Range 30 East, as projected into the unsurveyed Baca Location No. 2 Grant, San Miguel County, New Mexico (which is located approximately 9.25 miles north-northwest of Tucumcari, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 9713: (Continued from September 6, 1989, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Tom L. Ingram, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Gihon "31" Well No. 1 located 2970 feet from the South line and 1814 feet from the East line (Unit G) of Section 31, Township 13 North, Range 30 East, as projected into the unsurveyed Baca Location No. 2 Grant/Pablo Montoya Land Grant, San Miguel County, New Mexico (which is located approximately 10.5 miles north-northwest of Tucumcari, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 9757: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Lagarto State Unit Area comprising 4,404.91 acres, more or less, of State lands underlying all of Sections 1, 12, 13, and 24, Township 11 South, Range 34 East and all or portions of Sections 6, 7, 18, and 19, Township 11 South, Range 35 East. This area is located approximately 11 miles northwest of Tatum, New Mexico.

CASE 9725: (Continued from September 6, 1989, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Red Rock "NB" Federal Well No. 2 to be drilled 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 28, Township 6 South, Range 25 East, Pecos Slope-Abo Gas Pool, the SW/4 of said Section 25 to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said pool. Said well location is approximately 13.25 miles north by west of the Pecos River Bridge on U.S. Highway 70.

CASE 9700: (Continued from September 6, 1989, 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 Morrow formation underlying Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) of Section 2, Township 20 South, Range 24 East, forming a standard 319.04-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing (which presently includes but is not necessarily limited to the Undesignated Dagger Draw-Strawn Gas Pool, Undesignated Dagger Draw-Atoka Gas Pool, Undesignated North Cemetery-Atoka Gas Pool, Undesignated Cemetery-Morrow Gas Pool, and the Undesignated Hoag Tank-Morrow Gas Pool) and Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of said Section 2 to form a standard 159.64-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing (which presently includes but is not necessarily limited to the Undesignated Dagger Draw-Wolfcamp Gas Pool and the Undesignated North Dagger Draw-Upper Pennsylvanian Pool). Both aforementioned units are to be dedicated to a well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West

Commission Hearing - Thursday - September 21, 1989

CASE 9670: (De Novo) (Continued and Readvertised.)

Application of Stevens Operating Corporation to amend Division Order No. R-8917, directional drilling and an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-8917 to allow for re-entry of the currently plugged and abandoned Philtex Honolulu Federal Well No. 1 located 1980 feet from the South and West lines (Unit X) of Section 9, Township 14 South, Range 29 East, NMPM, North King Camp-Devonian Pool, in lieu of drilling a new well at the unorthodox location approved by said Order. Applicant further seeks approval to directionally drill said Philtex Honolulu Federal Well No. 1 to a depth of approximately 9894 feet, and to bottom said well at an unorthodox bottomhole location at a point 1947 feet from the South line and 2562 feet from the West line of said Section 9. A 160-acre non-standard proration unit consisting of the E/2 W/2 of said Section 9. (Approved by Order No. R-8917) is to be dedicated to the above described well. Said location is approximately 17 miles east of Hagerman, New Mexico. Upon application of Santa Fe Exploration Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9597: (Continued from August 17, 1989, Commission Hearing.)

Application of Santa Fe Exploration Company for amendment of the special rules and regulations for the North King Camp-Devonian Pool, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Rule 6 of the Special Rules and Regulations for the North King Camp-Devonian Pool as promulgated by Division Order No. R-9806 by establishing a special depth bracket allowable of 350 barrels of oil per day for the pool (pursuant to General Rules 505[d]). Said pool presently comprises the SE/4 of Section 9, Township 14 South, Range 29 East and is located approximately 17 miles east of Hagerman, New Mexico.