

Dockets Nos. 39-84 and 40-84 are tentatively set for October 3 and October 17, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 19, 1984

8 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Michael E. Stogner or Gilbert Quintana, Alternate Examiners:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1984, from fifteen prorated pools in Lea, Eddy and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1984, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8269: (Continued from July 25, 1984, Examiner Hearing)

Application of Cibola Energy Corporation for a unit agreement, Lincoln and Otero Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Three Rivers Unit Agreement comprising 24,539.73 acres, more or less, of Federal, State and Fee lands in Townships 9, 10 and 11 South, Ranges 8, 9, and 9 1/2 East.

CASE 8241: (Continued from August 22, 1984, Examiner Hearing)

Application of Sanders Oil & Gas Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Rio Pecos Deep Unit comprising 1600 acres, more or less, of Federal and Fee lands in Township 10 South, Range 25 East.

CASE 8306: (Continued from August 22, 1984, Examiner Hearing)

Application of Red Mountain Associates for an unorthodox location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the North line and 2635 feet from the East line of Section 28, Township 20 North, Range 9 West, Chaco Wash-Mesaverde Oil Pool.

CASE 8273: (Continued and Readvertised)

Application of Blanks Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 405 feet from the South line and 2000 feet from the East line of Section 16, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the W/2 SE/4 of said Section 16 to be dedicated to the well.

CASE 8341: Application of Lynx Petroleum Consultants, Inc. 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 Paddock formation underlying the NE/4 SW/4 of Section 25, Township 16 South, Range 36 East, to be dedicated to a well to be drilled at a standard 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.

CASE 8342: Application of Amoco Production Company for an unorthodox carbon dioxide gas well location, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 660 feet from the South and West lines of Section 24, Township 18 North, Range 33 East, Bravo Dome Carbon Dioxide Gas Unit (640-acre) Area, all of said Section 24 to be dedicated to the well.

CASE 8315: (Continued and Readvertised)

Application of Getty Oil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval to downhole commingle all Grayburg-Jackson Pool and Fren-Seven Rivers production underlying its Skelly Unit located in Township 17 South, Range 31 East. In the absence of objection, this application will be approved based upon the prior record.

CASE 8330: (Continued from September 5, 1984, Examiner Hearing)

Application of Chama Petroleum Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 1980 feet from the North line and 660 feet from the East line of Section 5, Township 19 South, Range 27 East, to test the Pennsylvanian and Wolfcamp formations, the N/2 of said Section 5 to be dedicated to the well.

CASE 8343: Application of Chama Petroleum Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow gas well location 1200 feet from the South line and 1400 feet from the East line of Section 10, Township 22 South, Range 24 East, the E/2 of said Section 10 to be dedicated to the well.CASE 8226: (Continued from September 5, 1984, Examiner Hearing)

Application of Doyle Hartman for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its South Empire State Com Well No. 1 located in Unit M of Section 24, Township 17 South, Range 28 East, South Empire-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8344: (This case will be dismissed)

Application of Santa Fe Energy Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1439 feet from the South line and 1090 feet from the West line of Section 27, Township 22 South, Range 27 East, South Carlsbad-Morrow Gas Pool, the S/2 of said Section 27 to be dedicated to the well.

CASE 8345: Application of Texaco Inc. for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard proration unit comprising the S/2 S/2 of Section 12, Township 20 South, Range 37 East, Skaggs Abo Gas Pool.CASE 8346: Application of BBC, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from 3,350 feet to 3,396 feet, and into an open-hole interval from 3,555 feet to 3,700 feet in its Federal "AZ" Well No. 1 located in Section 29, Township 26 South, Range 30 East.CASE 8303: (Continued and Readvertised)

Application of Yates Petroleum Corporation for an exception to Rules 2(B) and 5(A) of Division Order R-1670-I, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(B) of Division Order R-1670-I to permit applicant to complete its well at an unorthodox oil well location 1650 feet from the North line and 2310 feet from East line of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool. Applicant also seeks an exception to Rule 5(A) of Division Order R-1670-I for approval of a non-standard 80-acre oil proration unit comprising the SW/4 NE/4 and NW/4 SE/4 of said Section 20 to be dedicated to the well.

CASE 8324: (Continued from September 5, 1984, Examiner Hearing)

Application of Yates Petroleum Corporation for a Carbon Dioxide Injection Pilot Project and unorthodox locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a carbon dioxide injection pilot project by the injection of carbon dioxide and water into the Grayburg formation in two wells proposed to be drilled in the West Loco Hills Unit at unorthodox locations as follows:

- (a) West Loco Hills Unit G4S Tract 13-12, located 1980 feet from the North line and 10 feet from the East line; and
- (b) West Loco Hills Unit G4S Tract 6-5, located 1475 feet from the South line and 10 feet from the East line

both in Section 12, Township 18 South, Range 29 East.

CASE 8347: Application of Yates Petroleum Corporation for an Exception to Rule 202, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 202 of the Division Rules and Regulations to provide an extension until July 1, 1987, of the obligation to plug or temporarily abandon existing wells in the West Loco Hills Grayburg No. 4 Sand Unit Area pending results of its Carbon Dioxide Injection Pilot Project to determine whether such wells can be utilized in the project.

CASE 8348: Application of Yates Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 950 feet from the North line and 1500 feet from the West line of Section 27, Township 16 South, Range 37 East, Casey-Strawn Pool, the N/2 NW/4 of said Section 27 to be dedicated to the well.

CASE 8314: (Continued and Readvertised)

Application of Cities Service Oil & Gas Corp. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line of Section 21, Township 21 South, Range 27 East, Burton Flats-Morrow Gas Pool, the N/2 of said Section 21 to be dedicated to the well. In the absence of objection, this application will be approved based upon the prior record.

CASE 8311: (Continued and Readvertised)

Application of Sun Exploration and Production Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox location 2630 feet from the North line and 1625 feet from the East line of Section 27, Township 9 South, Range 36 East, to test the Montoya, Simpson and Granite Wash formations and also to test the Crossroads-Devonian Pool, the SW/4 NE/4 of said Section 27 to be dedicated to the well. In the absence of objection, this application will be approved based upon the record of hearing held on August 22, 1984.

CASE 8337: (Continued from September 5, 1984, Examiner Hearing)

Application of Schalk Development Co. for HARSHIP GAS WELL CLASSIFICATION, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Schalk 62 Well No. 1 located in Unit P of Section 33, Township 32 North, Range 5 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

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Docket No. 37-84

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 20, 1984

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 8275: (Continued from August 8, 1984, Examiner Hearing)  
(This Case will be dismissed)

Application of Robert E. Landreth for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow, Atoka and Strawn formations underlying the N/2 of Section 3, Township 25 South, Range 34 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North and West lines of said Section 3. 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.

CASE 8349: Application of HNG Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the N/2 of Section 3, Township 25 South, Range 34 East, to be dedicated to a well to be drilled at a standard 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.

CASE 8286: (Continued from August 1, 1984, Commission Hearing)

Application of Mesa Grande Resources, Inc. for creation of a new oil pool and special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for oil production to be designated as the Gavilan Greenhorn-Graneros-Dakota Oil Pool in Townships 24 and 25 North, Range 2 West, and the promulgation of special pool rules including a provision for 160-acre spacing.

CASE 8350: Application of Jerome P. McHugh for new pool creation and special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool to be designated as the Gavilan Greenhorn-Graneros-Dakota Oil Pool comprising Sections 1 through 3 in Township 24 North, Range 2 West and Sections 17 through 30 plus 33 through 36 in Township 25 North, Range 2 West, and the promulgation of temporary special pool rules therefor including a provision for 320-acre well spacing and proration units and specified well location requirements.

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Docket No. 38-84

DOCKET: COMMISSION HEARING - WEDNESDAY - SEPTEMBER 26, 1984  
OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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CASE 8351:

Application of Cities Service Oil & Gas Corporation for a unit agreement, Harding and San Miguel Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the West Bravo Dome Unit comprising 43,154 acres, more or less, of State, Federal and Fee lands in portions of Townships 17, 18, 19 and 20 North, Ranges 29 and 30 East.

CASE 8352:

Application of Cities Service Oil & Gas Corporation for special pool rules, Harding and San Miguel Counties, New Mexico. Applicant, in the above-styled cause, seeks an order establishing temporary 640-acre spacing rules for an area in portions of Townships 17, 18, 19 and 20 North, Ranges 29, 30 and 31 East.

Dockets Nos. 19-87 and 20-87 are tentatively set for June 17 and July 1, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 3, 1987

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, Alternate Examiner:

CASE 3878: (Reopened)

In the matter of Case 3878 being reopened pursuant to the provisions of Division Order No. R-8235, which order amended Rule 101 of the Division Rules to provide for the acceptance of cash bonds as well as surety bonds. Said rule will be reviewed to determine whether it is appropriate in meeting the needs of industry.

CASE 9139: Application of Elf Aquitaine Petroleum for a horizontal directional drilling pilot project and special operating rules therefor, West Lindrith Gallup-Dakota Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the W/2 of Section 14, Township 23 North, Range 3 West, West Lindrith Gallup-Dakota Oil Pool. From a well to be located on the surface 500 feet from the North line and 1500 feet from the West line of Section 14, Township 23 North, Range 3 West, the applicant proposes to extend the wellbore horizontally and dedicate both the NW/4 and SW/4 of said Section 14 in the West Lindrith Gallup-Dakota Oil Pool to the well, either forming two standard 160-acre oil proration units or a single unorthodox 320-acre oil proration unit in said pool. Applicant further seeks special rules and provisions within the pilot project area including the designation of a prescribed area limiting the horizontal extent of the wellbore and special allowable considerations.

CASE 9140: Application of Permian Corporation for an exception to Division Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-3221, as amended, to permit the disposal of water produced in conjunction with the production of oil and gas into a salt lake located in the NW/4 of Section 2, Township 23 South, Range 29 East.

CASE 8190: (Reopened)

In the matter of Case 8190 being reopened pursuant to the provisions of Division Order No. R-7556, which order established special rules and regulations for the Bravo Dome 640-Acre Area in Union, Harding, and Quay Counties, including a provision for 640-acre spacing units. Interested parties may appear and show cause why the Bravo Dome 640-Acre Area should not be developed on less than 640-acre spacing and proration units.

CASE 3352: (Reopened)

In the matter of Case 3352 being reopened pursuant to the provisions of Division Order No. R-7737, which order established special rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area in Harding County, including a provision for 640-acre spacing units. Interested parties may appear and show cause why the West Bravo Dome Carbon Dioxide Gas Area should not be developed on less than 640-acre spacing and proration units.

CASE 9126: (Continued from May 20, 1987, Examiner Hearing)

Application of I & W, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Undesignated Empire-Wolfcamp (abandoned) Pool in the perforated interval from approximately 7518 feet to 7832 feet and in the open-hole interval from 7832 feet to 7961 feet in the Frostman Oil Corporation Walter Solt State Well No. 1 located 2240 feet from the South line and 400 feet from the West line (Unit L) of Section 5, Township 18 South, Range 28 East.

CASE 9141: Application of Marshall & Winston, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order, pursuant to Division General Rule 1207.1.(ii), pooling all mineral interests from the surface to the base of the Abo formation underlying Lot No. 13 (Unit M) of Irregular Section 6, Township 21 South, Range 38 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location 3350 feet from the South line and 660 feet from the East line of said Section 6. Applicant further seeks a 200 percent penalty to be assessed as a charge for the risk involved in the drilling of said well, \$3600.00 per month while drilling and \$360.00 per month while producing to be fixed as reasonable overhead charges, and that the applicant be named operator of said well and unit. IF THERE ARE NO OBJECTIONS THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

- CASE 9142: Application of TXO Production Corp. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn formation underlying either the SW/4 NE/4 (Unit G) of Section 36, Township 16 South, Range 37 East, to form a standard 40-acre oil spacing and proration unit within the formation, or the W/2 NE/4 of said Section 36 to form an 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits which are developed on 80-acre spacing, either unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the costs incurred in the drilling and completion of the well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 9143: Application of Amerind Oil Co. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for a well to be drilled 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 33, Township 16 South, Range 37 East, Shipp-Strawn Pool, the E/2 SW/4 of said Section 33 to be dedicated to the well.
- CASE 9130: (Continued from May 6, 1987, Examiner Hearing) (This case will be continued to July 29, 1987.)  
Application of Apache Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location to be drilled 660 feet from the North and East lines of Section 27, Township 22 South, Range 34 East, to test the Morrow formation, the N/2 of said Section 27 to be dedicated to the well.
- CASE 9131: (Continued from May 6, 1987, Examiner Hearing) (This case will be continued to July 29, 1987.)  
Application of Apache Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location to be drilled 1980 feet from the South line and 990 feet from the East line of Section 22, Township 22 South, Range 34 East, to test the Morrow formation, the S/2 of said Section 22 to be dedicated to the well.
- CASE 9144: Application of Harvey E. Yates Company for revocation of Division Orders Nos. R-7240 and R-8190 and for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order revoking the provisions of Division Order No. R-7240 relating to the compulsory pooling of the S/2 SE/4 of Section 8, Township 16 South, Range 37 East, and revoking Division Order No. R-8190 in its entirety. Applicant now seeks to pool all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the E/2 SE/4 of said Section 8, forming a standard 80-acre oil spacing and proration unit to be dedicated to its existing East Lovington "8" Well No. 2 located 1874 feet from the South line and 554 feet from the East line (Unit I) of said Section 8, and further pooling all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the W/2 SE/4 of said Section 8, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the costs incurred in the drilling and completion of both wells and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells.
- CASE 9107: (Continued from May 6, 1987, Examiner Hearing)  
Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos and Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the E/2 of Section 5, Township 25 North, Range 2 West, forming a standard 320-acre oil spacing and proration unit in both pools to be dedicated to a well to be drilled at a standard 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.
- CASE 8963: (Continued from May 6, 1987, Examiner Hearing) (Reopened)  
Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the W/2 of Section 16, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard 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.
- CASE 9129: (Continued from May 6, 1987, Examiner Hearing)  
Application of Virginia P. Uhden, Helen Orbesen, and Carroll O. Holmberg to void and vacate Division Order Nos. R-7588 and R-7588-A, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order vacating Division Order Nos. R-7588 and R-7588-A, which orders promulgated Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Pool, including a provision for 320-acre spacing and designated well locations.

CASE 8863: (Reopened)

In the matter of Case 8863 being reopened upon application of Alana Oil and Gas Corporation to vacate or modify Division Order No. R-8210 entered in said Case 8863, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8210:

Samantha Well No. 1 located 1580' FSL - 1202' FWL (Unit L),  
Samantha Well No. 2 located 1985' FSL - 2290' FWL (Unit K),  
Samantha Well No. 3 located 1105' FSL - 2490' FWL (Unit N),  
all in Section 26, Township 28 North, Range 1 East; and  
Alana Well No. 1 located 511' FSL - 2144' FWL (Unit N) of  
Section 11, Township 27 North, Range 1 West.

CASE 8864: (Reopened)

In the matter of Case 8864 being reopened upon the application of Suntex Energy Corporation to vacate or modify Division Order No. R-8223 entered in said Case 8864, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells which were ordered plugged pursuant to the provisions of said Order No. R-8223:

Suntex Well No. 1 located 1824' FNL - 570' FWL (Unit E) of Section 26,  
Suntex Well No. 2 located 660' FSL - 365' FEL (Unit P) of Section 22,  
Suntex Well No. 3 located 1858' FNL - 1800' FWL (Unit F) of Section 14,  
Suntex Well No. 4 located 935' FNL - 1650' FWL (Unit C) of Section 23,  
Suntex Well No. 5 located 2004' FSL - 2310' FWL (Unit K) of Section 11, and  
Suntex Well No. 6 located 1980' FSL - 660' FWL (Unit L) of Section 23,  
all in Township 28 North, Range 1 East.

CASE 9074: (Reopened)

In the matter of Case 9074 being reopened upon application of Suntex Energy Corporation to vacate or modify Division Order No. R-8404 entered in said Case 9074, Rio Arriba County, New Mexico. Applicant seeks to complete or recomplete the following wells formerly operated by Texas Rose Petroleum, Inc. which were ordered plugged pursuant to the provisions of said Order No. R-8404:

Well No. 1 located 1824' FSL - 1778' FEL (Unit J) of Section 14,  
Well No. 2 located 618' FSL - 2418' FWL (Unit N) of Section 14,  
Well No. 3 located 967' FSL - 2148' FWL (Unit N) of Section 11,  
Well No. 7 located 990' FSL - 2310' FEL (Unit O) of Section 14, and  
Well No. 8 located 2310' FS and WL (Unit K) of Section 14,  
all on the El Poso Ranch Lease in Township 28 North, Range 1 East, as  
projected into the unsurveyed Tierra Amarilla Land Grant.

CASE 9145: Application of Marathon Oil Company for pool creation, special pool rules, and discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Siluro-Devonian production comprising the S/2 SE/4 of Section 14, Township 16 South, Range 38 East, and the promulgation of temporary special rules therefor including a provision for 80-acre spacing units and designated well locations. Applicant further seeks the assignment of a discovery allowable as provided by Rule 509 of the General Rules.

CASE 9146: Application of Marathon Oil Company for the amendment of Division Order No. R-8282, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-8282, as amended, which order compulsorily pooled all mineral interests from the surface to the base of the Siluro-Devonian formation underlying the SE/4 SE/4 of Section 14, Township 16 South, Range 38 East. Applicant now seeks an amendment to said order to include a provision pooling all mineral interests in the Siluro-Devonian formation underlying the S/2 SE/4 of said Section 14 to form an 80-acre spacing unit in the event of the approval of its pending pool creation request in Case No. 9145.

CASE 9132: (Continued from May 6, 1987, Examiner Hearing)

Application of Marathon 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 Pennsylvanian formation underlying the N/2 of Section 17, Township 17 South, Range 35 East, forming a 320-acre proration unit for all formations and/or pools developed on 320-acre spacing, to be dedicated to a well to be drilled 1980 feet from the North and West lines of said Section 17. Also to be considered will be the costs incurred in the drilling and completion of the well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 9147: Application of Phillips Petroleum Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 120-acre non-standard oil proration unit comprising the N/2 NW/4 and SW/4 NW/4 of Section 2, Township 19 South, Range 32 East, Undesignated East Lusk-Bone Spring Pool, to be dedicated to its State "1-2" Well No. 1 located at a standard oil well location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 2.

CASE 9148: Application of Texaco Producing Inc. for a drilling permit in the Potash-Oil Area, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed Forty-Niner Ridge Unit Well No. 3 to test the Delaware formation at a location 2310 feet from the North and East lines of Section 16, Township 23 South, Range 30 East, said location being within the boundaries of the Potash-Oil Area as defined by Division Order No. R-111-A, as amended, and having been objected to by the owners of potash leases in the area.

CASE 9149: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning a discovery allowable, and extending certain pools in Chaves and Eddy Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cisco production and designated as the Bear Grass Draw-Cisco Pool. The discovery well is the Phillips Petroleum Company Green B Well No. 12 located in Unit O of Section 18, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 18: SE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Cabin Lake-Delaware Pool. Further, assign approximately 28,125 barrels of discovery allowable to the discovery well, the Phillips Petroleum Company James A Well No. 2 located in Unit J of Section 2, Township 22 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM  
Section 2: SE/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Kaiser Ranch-Strawn Gas Pool. The discovery well is the Yates Petroleum Corporation Compromise AEJ Federal Com Well No. 1 located in Unit H of Section 30, Township 18 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM  
Section 30: E/2

(d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Parkway-Delaware Pool. The discovery well is the Santa Fe Energy Operating Partners, L.P. Parkway 36 State Well No. 1 located in Unit F of Section 36, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 36: NW/4

(e) EXTEND the Atoka-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM  
Section 27: S/2 NE/4

(f) EXTEND the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 2: W/2

(g) EXTEND the Grayburg Jackson-Queen-Grayburg-San Andres-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 1: SE/4

(h) EXTEND the Otis-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 24: E/2



- (i) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 23 EAST, NMPM

Section 6: S/2

- (j) EXTEND the Shugart Yates-Seven Rivers-Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 35: SW/4

Dockets Nos. 27-87 and 28-87 are tentatively set for September 9 and September 23, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 26, 1987

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, Alternate Examiner:

CASE 9187: (Readvertised) (Continued from August 12, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Evans Production Company, American Motorists Insurance Company and all other interested parties to appear and show cause why the five wells listed below should not be plugged and abandoned in accordance with a Division-approved plugging program:

Inditos Well No. 1 located 2310 feet from the North line and 330 feet from the East line (Unit H) of Section 15, Township 16 North, Range 9 West;  
Bullseye Well No. 2 located 540 feet from the South line and 1560 feet from the West line (Unit N) of Section 18, Township 16 North, Range 9 West;  
Bullseye Well No. 9 located 330 feet from the South line and 1650 feet from the East line (Unit O) of Section 18, Township 16 North, Range 9 West;  
Bullseye Well No. 8 located 330 feet from the North line and 990 feet from the West line (Unit D) of Section 19, Township 16 North, Range 9 West; and,  
Bullseye A Well No. 2 located 990 feet from the South and East lines (Unit P) of Section 13, Township 16 North, Range 10 West, all in McKinley County.

These wells are located in an area approximately 14 miles north of Ambrosia Lake, New Mexico.

CASE 9198: Application of Bell, Foy, & Middlebrook, Ltd. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Culp Ranch Unit Area comprising 1919.16 acres, more or less, of State and Federal lands in Sections 2, 11, and 14 of Township 12 South, Range 30 East, said acreage being approximately 11.5 miles southwest from the junction of U.S. 380 and New Mexico 172.

CASE 9190: (Continued from August 12, 1987, Examiner Hearing)

Application of Robert L. Bayless for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle gas production from the Gallup and Pictured Cliffs formations in the wellbore of its Jicarilla 519 Well No. 1 located 790 feet from the South line and 1670 feet from the East line (Unit O) of Section 18, Township 30 North, Range 2 West, Jicarilla Apache Indian Reservation. Said Well is located approximately 2.5 miles west-northwest of Highway Junction US-64 and New Mexico 537.

CASE 9199: Application of Jamar, Inc. for an Oil Treating Plant Permit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to construct and operate an oil treating plant for the reclamation and treatment of sediment oil at a site in the NE/4 NE/4 (Unit A) of Section 8, Township 20 South, Range 37 East, which is approximately 2 miles west of Milepost 41 on New Mexico 18.

CASE 8352: (Reopened) (Continued from July 15, 1987, Examiner Hearing)

In the matter of Case 8352 being reopened pursuant to the provisions of Division Order No. R-7737, which order established special rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area in Harding County, including a provision for 640-acre spacing units. Interested parties may appear and show cause why the West Bravo Dome Carbon Dioxide Gas Area should not be developed on less than 640-acre spacing and proration units.

CASE 9191: (Readvertised)

Application of Amerind Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the S/2 SE/4 of Section 28, Township 16 South, Range 37 East, Undesignated Casey-Strawn, Undesignated West Casey-Strawn, and Undesignated Northeast Lovington-Pennsylvanian pools, forming a standard 80-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard 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 location is approximately 6.5 miles east-southeast of Lovington, New Mexico.

CASE 9171: (Continued from August 12, 1987 Examiner Hearing)

Application of MorOilCo, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates, Seven Rivers, and Queen formations in the perforated interval from approximately 3951 feet to 3995 feet and in the open hole interval from approximately 4064 feet to 5000 feet in the Atlantic Richfield Company's Mescalero Ridge Unit "MA" Well No. 31 located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 21, Township 19 South, Range 34 East, Undesignated Pearl-Queen Pool and Quail Ridge-Yates Gas Pool, which is approximately 2.5 miles north of N.M. milepost No. 77 on U.S. Highway 62/180.

CASE 9129: (Continued from July 15, 1987, Examiner Hearing)

Application of Virginia P. Uden, Helen Orbesen, and Carrol O. Holmberg to void and vacate Division Order Nos. R-7588 and R-7588-A, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order vacating Division Order Nos. R-7588 and R-7588-A, which orders promulgated Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Pool, including a provision for 320-acre spacing and designated well locations.

CASE 9200: Application of Mobil Producing Texas and New Mexico Inc. for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Upper Pennsylvanian production comprising the NW/4 of Section 6, Township 17 South, Range 36 East, and the promulgation of special rules therefor including a provision for 80-acre spacing and designated well locations. Said area is approximately 5.75 miles south of the Lovington-Lea County Airport.

CASE 9201: Application of Barbara Fasken 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 Devonian formation underlying the NW/4 NW/4 (Unit D) of Section 33, Township 11 South, Range 38 East, forming a statewide 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 5 miles north of Milepost 240 on U.S. Highway 380.

CASE 9202: Application of Meridian Oil Inc. 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 Devonian formation underlying the NE/4 NE/4 (Unit A) of Section 35, Township 18 South, Range 35 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately one mile north from the junction of New Mexico Highways Nos. 8 and 529.

CASE 9203: Application of Sun Exploration and Production 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 Bough "D" member of the Cisco formation (at a depth of approximately 10,500 feet underlying the SW/4 of Section 22, Township 13 South, Range 34 East, to form a 160-acre spacing and proration unit for any and all formations and/or pools within said vertical limits which are developed on 160-acre spacing, to be dedicated to a well to be drilled at a standard 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 approximately 11 miles west of Milepost 88.5 on New Mexico highway No. 18.

CASE 9204: Application of Samedan Oil Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the SE/4 SW/4, NE/4 SE/4, and S/2 SE/4 of Section 17, Township 23 South, Range 37 East, Jalmat Gas Pool, to be dedicated to the applicant's Hughes Federal Well No. 3 located 660 feet from the South line and 2080 feet from the West line (Unit N) of said Section 17, which is located approximately 50 yards east of New Mexico State Road 18 at Milepost 21.8.

CASE 9205: Application of Horizontal Recoveries Specialist, Inc. for a horizontal directional drilling pilot project, special operating rules therefor and two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the SE/4 of Section 20 and NW/4 of Section 28, Township 32 North, Range 5 West, forming two standard 160-acre gas spacing and proration units in the Fruitland formation. The applicant proposes to drill a well vertically on each of the above-described gas spacing units at unorthodox surface locations and to then drill horizontally therefrom, bottoming each well in the Fruitland formation at a vertical depth of approximately 3050 feet and extending laterally approximately 1500 feet. Applicant further seeks special rules and provisions within the pilot project area including the designation of a prescribed area within each proration unit limiting the extent of its respective wellbore. Said area is approximately 2.75 miles south of Mile Corner No. 238.5 on the New Mexico/Colorado border.

Dockets Nos. 35-91 and 36-91 are tentatively set for December 5, 1991 and December 19, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 21, 1991**  
**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,**  
**SANTA FE, NEW MEXICO**

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

**CASE 10401: (Reopened and Readvertised)**

**Application of Texaco Exploration & Production, Inc. for a secondary recovery project, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to institute either a pressure maintenance or waterflood pilot project, whichever is deemed applicable pursuant to Division General Rule 701, on its New Mexico State "AT" and New Mexico State "AN" Leases comprising the S/2 S/2 of Section 10 and all of Sections 15 and 22, Township 14 South, Range 33 East, by the injection of water into the Saunders-Permo Upper Pennsylvanian Pool through four certain producing wells to be converted to injection. Said project area is located approximately 3 miles north-northwest of Warren Petroleum Company's Saunders Gas Plant.

**CASE 10412: Application of MW Petroleum Corporation /Apache Corporation to amend Division Order No. R-9487-A, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks to amend Division Order No. R-9487-A, dated, which authorized the drilling of a well at an unorthodox gas well location 2049 feet from the North line and 480 feet from the West line (Unit E) of Section 12, Township 22 South, Range 23 East, NMPM, Indian Basin-Upper Pennsylvanian Gas Pool. Applicant specifically seeks to amend the gas allowable acreage factor assigned to the well by said order. All of Section 12 is dedicated to the subject well forming a standard 640-acre gas spacing and proration unit for said pool. Said unit is located approximately 20 miles West of Carlsbad, New Mexico.

**CASE 10372: (Continued from October 17, 1991, Examiner Hearing.)**

**Application of Parker & Parsley Development Company for compulsory pooling, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the S/2 equivalent of Section 33, Township 31 North, Range 4 West, forming a standard 320-acre, more or less, spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes only the Basin-Fruitland Coal Gas 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 33. 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 15 miles west-southwest of Dulce, New Mexico.

**CASE 10407: (Continued from October 31, 1991, Examiner Hearing.)**

**Application of Great Lakes Chemical Corporation for an exception to Division Order No. R-333-I and the Reassignment of Retroactive Gas Allowables, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks the retroactive reassignment of gas allowables to the following six wells located in Township 27 North, Range 8 West, Blanco-Mesaverde Pool, said allowable for each well to be based on delinquent deliverability tests. The applicant further requests an exception to the provisions of Division Order No. R-333-I whereby each well would be exempt from any late penalties on allowables caused by failure to submit deliverability well test data in a specified time:

- Graham Well No. 1 (Unit A) Section 4
- Graham Well No. 1A (Unit P) Section 4
- Graham Well No. 3 (Unit J) Section 3
- Hammond Well No. 5 (Unit F) Section 35
- Hammond Well No. 55 (Unit B) Section 26
- Hammond Well No. 55 A (Unit D) Section 26

**(Reopened and Readvertised)**

In the matter of Case 8352 being reopened pursuant to the provisions of Division Order No. R-7737-A, which order established temporary special pool rules and regulations for the West Bravo Dome Carbon Dioxide Gas Area in Harding County, including a provision for 640-acre spacing units. Because production history from wells in the subject area is still not available and since there is no apparent basis for making any permanent decision on said pool rules at this time, Oxy USA Inc., has further requested, **IN THE ABSENCE OF OBJECTION**, that the current pool rules, including 640-acre spacing, be continued for a period of two years following the date of first production.

**CASE 10391:** (Continued from November 7, 1991, Examiner Hearing.)

**Application of Bird Creek Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation or 8300 feet, whichever is deeper, underlying the N/2 NE/4 of Section 21, Township 23 South, Range 28 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent, which presently includes only the Undesignated South Culebra Bluff-Bone Spring Pool. Said unit is to be dedicated to its Barkham Well No. 3 to be drilled at a standard oil well location in the NE/4 NE/4 (Unit A) of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 0.5 miles northeast of Loving, New Mexico.

**CASE 10413:** **Application of Merrion Oil & Gas Corporation to revise the special rules and regulations for the Snake Eyes-Dakota "D" Gas Pool and for an unorthodox gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks to amend Division Order No. R-4343, which authorized 320-acre spacing units and limited well location requirements in the Snake Eyes-Dakota "D" Gas Pool, by either permitting the drilling of an optional second well on an existing 320-acre spacing unit without notice and hearing, provided that the second well would not be drilled in the quarter section of the unit which does not contain a well OR, IN THE ALTERNATIVE, to reestablish 160-acre spacing in said pool. In either instance the applicant further seeks to allow well locations to be no closer than 330 feet from the outer boundary of a spacing unit nor 330 feet from any quarter/quarter section line or subdivision inner boundary. Said pool is comprised of Sections 17 and 20, Township 21 South, Range 8 West, which is located approximately 15 miles south by east of Nageesi, New Mexico. In conjunction to the proposed rule changes the applicant seeks approval for an unorthodox gas well location for the existing Santa Fe "20" Well No. 3 located 2220 feet from the North line and 990 feet from the East line (Unit H) of said Section 20.

**CASE 10370:** (Continued from October 31, 1991, Examiner Hearing.)

**Application of Coleman Oil and Gas, Inc. for salt water disposal, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Point Lookout interval of the Blanco-Mesaverde Pool in the perforated interval from approximately 4380 feet to 4480 feet in its Sunco Disposal Well No. 1 to be drilled 1595 feet from the North line and 1005 feet from the West line (Unit E) of Section 2, Township 29 North, Range 12 West. Said location is approximately 2.5 miles south by east of Flora Vista, New Mexico.

**CASE 10414:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Lea and Roosevelt 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 Crazy Horse-Delaware Pool. The discovery well is the Anadarko Petroleum Corporation Exxon Federal Well No. 1 located in Unit E of Section 19, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

**TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM**

Section 19: NW/4

- b. CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Yates-Seven Rivers production and designated as the Southwest House Yates-Seven Rivers Gas Pool. The discovery well is the Seay Exploration Inc. Corrigan Well No. 1 located in Unit H of Section 14, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

**TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM**

Section 14: NE/4

- c. CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the South Lusk-Bone Spring Pool. The discovery well is the Texaco Exploration & Production Inc. New Mexico CR State Well No. 1 located in Unit D of Section 32, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

**TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM**

Section 32: NW/4

- d. CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the North Querecho Plains-Delaware Pool. The discovery well is the BTA Oil Producers French 9004 JV-P Well No. 4 located in Unit A of Section 24, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 24: NE/4

- e. EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 24: SW/4

Section 25: N/2

- f. EXTEND the Buffalo-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 29: SW/4

- g. EXTEND the West Corbin-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM

Section 15: SE/4

- h. EXTEND the DK-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 25: NE/4

- i. EXTEND the East Garrett-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM

Section 22: SE/4

Section 23: SW/4

Section 26: NW/4

- j. EXTEND the East Gem-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 23: S/2

- k. EXTEND the Jenkins-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM

Section 19: SE/4

Section 20: SW/4

Section 29: NW/4

- l. EXTEND the Kemnitz-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 16: W/2

- m. EXTEND the West Milnesand-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM

Section 24: NE/4

- n. EXTEND the North Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM

Section 30: All

- o. EXTEND the Rhodes Yates-Seven Rivers Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM

Section 5: NW/4

- p. EXTEND the North Sanmal-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM

Section 18: E/2

- q. EXTEND the South Shoe Bar-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 31: SW/4

- r. EXTEND the Vacuum-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 27: NE/4

- s. EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM

Section 19: NE/4

- t. EXTEND the Warren-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 34: NW/4

- u. EXTEND the East Warren-Tubb Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 25: NE/4

- v. EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 10: SW/4