



State of New Mexico  
**ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT**  
Santa Fe, New Mexico 87505



**BRUCE KING**  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

MATTHEW BACA  
DEPUTY SECRETARY

January 27, 1992

Mr. Mark D. Clark  
Desert State Energy, Inc.  
125 East Baja  
Hobbs, New Mexico 88240

RE: CASE NO. 10437  
ORDER NO. R-9633

Dear Madam:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Davidson  
OC Staff Specialist

FD/sl

cc: BLM Roswell Office

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**VILLAGRA BUILDING - 408 Galisteo**

Forestry and Resources Conservation Division  
P.O. Box 1948 87504-1948  
827-5830

Park and Recreation Division  
P.O. Box 1147 87504-1147  
827-7465

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**2040 South Pacheco**

Office of the Secretary  
827-5950

Administrative Services  
827-5925

Energy Conservation & Management  
827-5900

Mining and Minerals  
827-5970

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**LAND OFFICE BUILDING - 310 Old Santa Fe Trail**

Oil Conservation Division  
P.O. Box 2088 87504-2088  
827-5900

Dockets Nos. 4-92 and 5-92 are tentatively set for February 6, 1992 and February 20, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 23, 1992**  
**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 10437:** **Application of the Mark Clark d/b/a Desert States Energy, 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 920 feet from the South line and 1310 feet from the East line (Unit P) of Section 13, Township 11 South, Range 27 East, to test the Chisum-Devonian Pool, the SE/4 SE/4 of said Section 13 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is located approximately 4.5 miles south of U. S. Highway 380 at mile market No. 175.

**CASE 10434:** **(Continued from January 9, 1992, Examiner Hearing.)**

**Application of Hal J. Rasmussen Operating, Inc. for pool reclassification and special pool rules, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order reclassifying the Wilson Yates-Seven Rivers Pool, located in Township 21 South, Ranges 34 and 35 East, as an associated pool to be governed by the General Rules and Regulations for Associated Pools in Southeast New Mexico, as promulgated by Division Order No. R-5353, as amended. Applicant further seeks special provisions to provide for 160-acre gas and 40-acre oil proration units, a special gas/oil ratio limitation of 10,000 cubic feet of gas per barrel of oil, and any other provisions which may be applicable in this instance. Said pool is located approximately 15 miles west of Eunice, New Mexico.

**CASE 10407:** **(Continued from December 19, 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 I) Section 26

**CASE 10421:** **(Continued from December 19, 1991, Examiner Hearing.)**

**Application of Union Oil Company of California d/b/a UNOCAL for designation of a tight formation, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks the designation of the Blanco-Mesaverde Pool underlying portions of Townships 26 and 27 North, Ranges 6 and 7 West, containing 20,642.7 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area is located 22 miles southeast by east of Blanco, New Mexico.

**CASE 10422:** **(Continued from January 9, 1992, Examiner Hearing.)**

**Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the SE/4 of Section 8, Township 19 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard location in the NW/4 SE/4 (Unit J) of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8.5 miles southwest by west of Dayton, New Mexico.