



BRUCE KING
GOVERNOR

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

MEMORANDUM

TO: ALL OIL AND GAS OPERATORS

FROM: WILLIAM J. LEMAY, Director *WJL*
Oil Conservation Division

SUBJECT: ADDITION OF API NUMBERS ON C-115 FORMS

DATE: DECEMBER 21, 1992

There is a need for API numbers to be added to all wells reported on the C-115 forms. Enclosed with this Memorandum is a new blank C-115 form to be reproduced for your use and an example of a completed form with the API numbers listed. If you do not have an API number for your well or if you are in doubt as to the accuracy of that number you can contact the appropriate OCD District office for that information. This change will be effective January 1, 1993 and will apply to January 1993 and subsequent production. The filing deadline for January production is February 24th.

STATE OF NEW MEXICO
 P.O. Box 1980, Hobbs, NM 88240
 DISTRICT II
 P.O. Drawer DD, Artesia, NM 88210
 DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
 Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

OPERATOR'S MONTHLY REPORT
 Form C-115 - Revised 1/1/93
 See Distribution and Code
 Information Bottom of Page

Company or Operator _____ Address _____ Zip _____ For Month, _____ Year _____ Page _____ of _____

POOL NAME (Underline) Lease Name	WELL STATUS	INJECTION			PRODUCTION			DISPOSITION OF GAS			DISPOSITION OF OIL						
		VOLUME	PRESS.	BARRELS OIL/COND. PRODUCED	BARRELS OF WATER PRODUCED	GAS PRODUCED (MCF)	DAYS PROD. SOLD	TRANS-PORTER	OTHER	C O D E	OIL ON HAND AT BEG. OF MONTH	BARRELS TO TRANS-PORTER	TRANS-PORTER	OTHER	C O D E	OIL ON HAND AT END OF MONTH	
HOBBS GRAYBURG SAN ANDRES																	
North Hobbs G/SA Unit																	
30-025-31700 #311 A 34-16S-37E	I	2263	995														
30-025-31701 #312 B 34-16S-37E	P			569	10128	12740	31										
NORTH HOBBS G/SA UNIT TOTAL		3476451		254548	3674318	226791		226791	P-P	16196	R	2372	254548	SHL			2372

The above is representative of C-115 information to reflect maximum amount of numbers required in each column.

DISTRIBUTION
 Original OCDD Santa Fe
 One Copy OCDD Dist. Office
 in which lease is located
 One Copy to Transporter (s)
DATE DUE
 To be postmarked by 24th day of next
 succeeding month.

STATUS CODE
 F..... FLOWING
 P..... PUMPING
 G..... GAS LIFT
 S..... SHUT IN
 T..... TEMP ABANDONED
 I..... INJECTION
 D..... DISCONTINUED

OTHER GAS DISPOSITION CODE
 X..... USED OFF LEASE
 D..... USED FOR DRILLING
 G..... GAS LIFT
 L..... LOST (MCF ESTIMATED)
 E..... EXPLANATION ATTACHED
 R..... REPRESSURING OR
 PRESSURE MAINTENANCE
 V..... VENTED
 U..... USED ON LEASE

OTHER OIL DISPOSITION CODE
 C..... CIRCULATING OIL
 L..... LOST
 S..... SEDIMENTATION (B S & W)
 E..... EXPLANATION ATTACHED
 T..... THEFT

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE

TYPED NAME _____ PHONE NUMBER _____
 POSITION _____

SIGNATURE _____ DATE _____

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 7, 1993
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

Dockets Nos. 3-93 and 4-93 are tentatively set for January 21, 1993 and February 4, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

CASE 10649: Application of H. L. Brown, Jr., for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the North Feather State Unit Agreement for an area comprising 640 acres, more or less, of state lands in all or portions of Sections 9 and 16 of Township 15 South, Range 32 East. Said unit is located 4 miles west of the intersection of Highways 31 and 172.

CASE 10650: Application of Mewbourne Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval for an unorthodox gas well location, in the Cedar Lake-Morrow Gas Pool, 990 feet from the North and East lines (Unit A) of Section 2, Township 18 South, Range 30 East. The E/2 of said Section 2 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 3 miles southeast of Loco Hills, New Mexico.

CASE 10635: (Continued from December 17, 1992, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described areas in Section 15, Township 18 South, Range 28 East, and in the following manner: the E/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, the W/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, the NW/4 SE/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled at an unorthodox location 1500 feet from the South line and 1980 feet from the East line (Unit J) of said Section 15. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles east-southeast of Artesia, New Mexico.

CASE 10636: (Continued from December 17, 1992, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the following described areas in Section 27, Township 17 South, Range 28 East, and in the following manner: the E/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, the E/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, the NE/4 SE/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled at an unorthodox location 1756 feet from the South line and 660 feet from the East line (Unit I) of said Section 27. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 7 miles east-southeast of Riverside, New Mexico.

CASE 10651: Application of Pogo Producing Company for directional drilling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Mobil Federal Well No. 3 from a surface location 480 feet from the North line and 660 feet from the East line (Unit A) of Section 29, Township 23 South, Range 31 East, in such a manner as to bottom the well in the Brushy Canyon formation of the Delaware Mountain Group, at a standard location approximately 578 feet from the North line and 1870 feet from the East line (Unit B) of said Section 29. Further, applicant seeks approval for an unorthodox location in the Cherry Canyon formation of the Delaware Mountain Group, with the directional wellbore entering the Cherry Canyon formation at an unorthodox location 540 feet from the North line and 1405 feet from the East line, and exiting the Cherry Canyon formation at an orthodox location 571 feet from the North line and 1789 feet from the East line of said Section 29. The NW/4 NE/4 of said Section 29 will be dedicated to the well to form a standard 40-acre spacing and proration unit for said formations. This well is located approximately 9 miles east-southeast of the intersection of Highways 31 and 128.

CASE 10652: **Application of Pogo Producing Company for directional drilling and an unorthodox oil well location, Eddy County, New Mexico.** Applicant seeks authority to directionally drill its proposed Mobil Federal Well No. 8 from a surface location 330 feet from the South line and 1380 feet from the East line (Unit O) of Section 29, Township 23 South, Range 31 East, in such a manner as to bottom the well in the Brushy Canyon formation of the Delaware Mountain Group, at a standard location approximately 413 feet from the South line and 1897 feet from the East line (Unit O) of said Section 29. Applicant also seeks approval for an unorthodox location in the Bell Canyon formation of the Delaware Mountain Group, with the directional wellbore entering the Bell Canyon formation at an unorthodox location 330 feet from the South line and 1381 feet from the East line, and exiting the Bell Canyon formation at an unorthodox location 353 feet from the South line and 1526 feet from the East line of said Section 29. Further, applicant seeks approval for an unorthodox location in the Cherry Canyon formation of the Delaware Mountain Group at an unorthodox location 353 feet from the South line and 1526 feet from the East line, and exiting the Cherry Canyon formation at an orthodox location 402 feet from the South line and 1829 feet from the East line of said Section 29. The SW/4 SW/4 of said Section 29 will be dedicated to the well to form a standard 40-acre spacing and proration unit for said formations. This well is located approximately 9 miles east-southeast of the intersection of Highways 31 and 128.

CASE 10653: **Application of Armstrong Energy Corporation for special pool rules, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the Northeast Lea-Delaware Pool including a provision for a special oil allowable of 300 barrels of oil per day. Said pool is located in portions of Townships 19 and 20 South, Range 34 East, located near the Warren Gas Company Compressor Station.

CASE 10646: (Continued from December 17, 1992, Examiner Hearing.)

Application of Enron Oil & Gas Company for directional drilling, or in the alternative, for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Pure Gold "B" Federal Well No. 2 from a surface location in Unit O of Section 17, Township 23 South, Range 31 East to a bottomhole location in the Atoka formation, Undesignated West Sand Dunes-Atoka Gas Pool and in the Morrow formation, Undesignated West Sand Dunes-Morrow Gas Pool at a standard location within 50 feet of a point 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 20, Township 23 South, Range 31 East. **IN THE ALTERNATIVE**, applicant seeks approval for an unorthodox gas well location 660 feet from the North line and 1700 feet from the East line (Unit B) of Section 20, Township 23 South, Range 31 East, in said Atoka and Morrow pools. The N/2 of said Section 20 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 7 miles east of Loving, New Mexico.

CASE 10647: (Continued from December 17, 1992, Examiner Hearing.)

Application of Seely Oil Company for statutory unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the EK-Yates-Seven Rivers-Queen Pool, underlying 1148.40 acres, more or less, of State land comprising portions of Township 18 South, Ranges 33 and 34 East, to be designated the Central EK Queen Unit Area. To be considered will be those matters required by the New Mexico Statutory Unitization Act, Subsection 70-7-1, et seq., N.M.S.A. 1978, and other provisions of the unit agreement and unit operating agreement. Said unit area is located approximately 22 miles west of Hobbs, New Mexico.

CASE 10648: (Continued from December 17, 1992, Examiner Hearing.)

Application of Seely Oil Company for approval of a waterflood project and qualification for the recovered oil tax rate, Lea County, New Mexico. Applicant seeks authority to institute a waterflood project by injection of water into the Yates, Seven Rivers and Queen formations in its proposed EK Queen Unit Area (Division Case No. 10647) underlying portions of Township 18 South, Ranges 33 and 34 East. The applicant further seeks to qualify this project for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is centered approximately 22 miles west of Hobbs, New Mexico.

CASE 10643: (Readvertised)

Application of Yates Petroleum Corporation for directional drilling and an unorthodox bottomhole gas well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Amaranth "AMG" Federal Com. Well No. 1 from a surface location 1310 feet from the North line and 2630 feet from the East line (Unit B) of Section 12, Township 20 South, Range 30 East, in such a manner as to bottom the well in the Pennsylvanian formation at an unorthodox subsurface gas well location within 50 feet of a point 2449 feet from the North line and 1512 feet from the West line (Unit F) of said Section 12, the W/2 of said Section 12 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said formation. This well is located approximately 21 miles northeast of Carlsbad, New Mexico.

CASE 10574: (Continued from December 17, 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, at approximately 8,200 feet, underlying the following described acreage in Section 14, Township 20 South, Range 24 East, and in the following described manner: the N/2 to form a single standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the South Dagger Draw-Upper Pennsylvanian Associated Pool); the NE/4 and NW/4 to form two standard 160-acre gas spacing and proration units for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NW/4 NE/4 and SW/4 NW/4 to form two standard 40-acre oil spacing and proration units for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. The proposed 320-acre unit is to be dedicated to either a single well to be drilled at a standard location in Unit B or Unit E or to both wells to be simultaneously dedicated to the 320-acre unit. Further the 160-acre gas unit comprising the NE/4 and the 40-acre oil unit comprising the NW/4 NE/4 are to be dedicated to the proposed well to be drilled in Unit B. The 160-acre gas unit comprising the NW/4 and the 40-acre oil unit comprising the SW/4 NW/4 are to be dedicated to the proposed well to be drilled in Unit E. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 7.5 miles west by south of Seven Rivers, New Mexico.

CASE 10626: (Continued from December 17, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 of Section 32, Township 6 South, Range 26 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Pecos Slope-Abo Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 16 miles west by north of Elkins, New Mexico.

CASE 10654: **Application of Warrior, Inc. for an unorthodox oil well location, Eumont Oil Pool, Lea County, New Mexico.** Applicant seeks an order approving the drilling of its Federal "D" Well No. 13 in the Eumont Oil Pool at an unorthodox oil well location 1300 feet from the South and West lines (Unit M) of Section 26, Township 20 South, Range 36 East. Said well is to be dedicated to a standard 40-acre oil proration and spacing unit consisting of the SW/4 SW/4 of said Section 26. Said unit is located approximately 7 miles southwest of Monument, New Mexico.

CASE 10655: **Application of Meridian Oil Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the S/2 of Section 36, Township 21 South, Range 36 East, to be dedicated to its proposed Shell State Com "D" Well No. 13 to be drilled at a previously approved unorthodox gas well location 1780 feet from the South line and 760 feet from the West line (Unit L) of said Section 36 and dedicated to a previously approved non-standard 320-acre gas spacing and proration unit consisting of the S/2 of said Section 36 and to simultaneously dedicate production with the Shell State Com "D" Well No. 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles west of Eunice, New Mexico.

CASE 10656: **Application of Mitchell Energy Corporation for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Pennsylvanian formation underlying the W/2 of Section 28, Township 20 South, Range 33 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the South Salt Lake-Morrow Gas Pool. Said unit is to be dedicated to its Tomahawk "28" Federal Com Well No. 1 to be drilled and completed at an unorthodox gas well location 1650 feet from the North line and 1980 feet from the West line (Unit F) of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 22 miles southeast of Maljamar, New Mexico.

CASE 10657: Application of Marathon Oil Company for reinstatement of underproduction for a GPU in the Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico. Applicant, in accordance with Rule 14(b) of the General Rules for prorated gas pools of New Mexico, seeks an order reinstating canceled underproduction from the proration period ending March 31, 1990 for a gas proration unit ("GPU") in the Indian Basin-Upper Pennsylvanian Gas Pool consisting of all of Section 34, Township 21 South, Range 23 East, and dedicated to its Indian Basin D Well No. 1 located in Unit K of said Section 34. Said area is located approximately 22 miles west of Carlsbad, New Mexico.

CASE 10624: (Readvertised)

Application of Sea Coast, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying the W/2 (equivalent) of Section 8, Township 29 North, Range 12 West, forming a standard 325.77-acre gas spacing unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not limited to the Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location in Section 8. Applicant requests that Meridian Oil Inc. be designated as operator. 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 and a charge for risk involved in drilling said well. Said area is located on the east end of Farmington, New Mexico.

CASE 10625: (Readvertised)

Application of Sea Coast, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying the E/2 (equivalent) of Section 8, Township 29 North, Range 12 West, forming a standard 322.86-acre gas spacing unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not limited to the Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location in Section 8. Applicant requests that Meridian Oil Inc. be designated as operator. 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 and a charge for risk involved in drilling said well. Said area is located on the east end of Farmington, New Mexico.

CASE 10601: (Continued from November 19, 1992, Examiner Hearing.)

Application of Strata Production Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Scanlon-Delaware Pool through the perforated interval from approximately 3274 feet to 3030 feet in its Doris Federal Well No. 2 located 1780 feet from the South line and 1980 feet from the East line (Unit J) of Section 26, Township 20 South, Range 28 East, which is approximately northeast by north of Carlsbad, New Mexico.

CASE 10572: (Continued from December 17, 1992, Examiner Hearing.)

Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its W. H. Rhodes "B" Federal Waterflood Project, authorized by Division Order No. R-2748, by converting its W. H. Rhodes "B" Federal (NCT-1) Well No. 6 located 1980 feet from the South line and 660 feet from the East line (Unit I) and its W. H. Rhodes "B" Federal (NCT-1) Well No. 13 located 990 feet from the South line and 1650 feet from the East line (Unit O), both in Section 27, Township 26 South, Range 37 East, from producing oil wells to water injection wells. Said project area is located approximately 7.5 miles south-southeast of Jal, New Mexico.

CASE 10573: (Continued from December 17, 1992, Examiner Hearing.)

Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Rhodes Yates Unit Waterflood Project, authorized by Division Order No. R-3889, by converting its Rhodes Yates Unit Well No. 8 located 1875 feet from the North line and 765 feet from the West line (Unit E) and its Rhodes Yates Unit Well No. 13 located 660 feet from the South and West lines (Unit M), both in Section 27, Township 26 South, Range 37 East, Rhodes Yates Unit, Rhodes Yates-Seven Rivers Pool, from producing oil wells to water injection wells. Said project area is located approximately 7.5 miles south-southeast of Jal, New Mexico.

**DOCKET: COMMISSION HEARING - THURSDAY - JANUARY 14, 1993
9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The Land Commissioner's designee for this hearing will be Gary Carlson and/or Jami Bailey

CASE 10436: (Rehearing - Continued from December 1, 1992, Commission Hearing.)

In the matter of the application of Four Corners Gas Producers Association and the New Mexico Oil and Gas Association to rehear Case No. 10436 which was called by the Oil Conservation Commission to provide for the expansion of the Vulnerable Area in the San Juan Basin amongst other things. This rehearing will be limited to the following three issues only:

1. To reconsider allowing extensions of up to two years to the basic one year- two year-three year timetable for the elimination of discharge;
2. To reconsider the establishment of a 200-foot radius wellhead protection area around private water wells which are not part of a community of municipal water supply; and
3. To reconsider the provisions of the order providing for variances; specifically, to clarify whether a variance can be granted for multiple sites under a single request and to determine the appropriate notice requirements for a variance request.

CASE 10444: (DE NOVO)

Application of Amerada Hess Corporation for pool contraction, pool creation, and promulgation of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Lower Blinebry formation and the promulgation of special pool rules therefor, including provisions for 80-acre oil spacing and proration units, designated well location requirements and a special gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil. Applicant also seeks the concomitant contraction of the vertical limits of the Hobbs-Blinebry Pool in conjunction with the creation of said new Lower Blinebry oil pool within the existing horizontal boundaries of the Hobbs-Blinebry Pool in portions of Townships 18 and 19 South, Range 38 East. Said area is located on the west side of Hobbs, New Mexico. Upon application of Amerada Hess Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10345: (DE NOVO)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #390 to determine the reasonableness of such costs pursuant to the provisions of Commission Order R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

CASE 10346: (DE NOVO)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #391 to determine the reasonableness of such costs pursuant to the provisions of Commission Order R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

CASE 10507: (DE NOVO)

Application of C & C Landfarm Inc. for a commercial surface waste disposal facility, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to construct and operate a commercial landfarm facility for remediation of non-hazardous hydrocarbon-contaminated soils using an enhanced biodegradation process. Said area is to be located in the SW/4 NE/4 (Unit G) of Section 3, Township 20 South, Range 37 East, which is approximately 2 miles southeast of Monument, New Mexico. Upon application of intervenors Elsie Reeves, S-W Cattle Co. and W. T. (Trent) Stradley, this case will be heard De Novo pursuant to the provisions of Rule 1220.



STATE OF NEW MEXICO
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION



BRUCE KING
 GOVERNOR
 ANITA LOCKWOOD
 CABINET SECRETARY

POST OFFICE BOX 2088
 STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO 87504
 (505) 827-5800

MEMORANDUM

TO: Attorneys, operators and parties appearing before OCD Examiners
FROM: Michael E. Stogner, Chief Hearing Officer *M.E.S.*
SUBJECT: Examiner Hearing Days and Dates for 1993
DATE: February 8, 1993

The following schedule is established for the Examiner Hearings in Santa Fe for 1993.

<u>MONTH</u>	<u>DATE</u>
February	4 and 18
March	4 and 18
April	8 and 22
May	6 and 20
June	3 and 17
July	1, 15 and 29
August	12 and 26
September	9 and 23
October	7 and 21
November	4 and 18
December	2 and 16
January, 1994	6

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 18, 1993
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

Dockets Nos. 7-93 and 8-93 are tentatively set for March 4, 1993 and March 18, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

CASE 10635: (Readvertised)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from a depth 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the following described areas in Section 15, Township 18 South, Range 28 East, and in the following manner: the E/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Undesignated Palmillo Draw-Atoka Gas Pool, Undesignated South Empire-Morrow Gas Pool, Undesignated North Illinois Camp-Morrow Gas Pool, and Undesignated North Turkey Track-Morrow Gas Pool); the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the W/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent (which presently includes only the Undesignated Travis-Upper Pennsylvanian Pool); and the NW/4 SE/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled at an unorthodox location 1500 feet from the South line and 1980 feet from the East line (Unit J) of said Section 15. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles east-southeast of Artesia, New Mexico.

CASE 10651: (Continued from February 4, 1993, Examiner Hearing.)

Application of Pogo Producing Company for directional drilling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Mobil Federal Well No. 3 from a surface location 480 feet from the North line and 660 feet from the East line (Unit A) of Section 29, Township 23 South, Range 31 East, in such a manner as to bottom the well in the Brushy Canyon formation of the Delaware Mountain Group, at a standard location approximately 578 feet from the North line and 1870 feet from the East line (Unit B) of said Section 29. Further, applicant seeks approval for an unorthodox location in the Cherry Canyon formation of the Delaware Mountain Group, with the directional wellbore entering the Cherry Canyon formation at an unorthodox location 540 feet from the North line and 1405 feet from the East line, and exiting the Cherry Canyon formation at an orthodox location 571 feet from the North line and 1789 feet from the East line of said Section 29. The NW/4 NE/4 of said Section 29 will be dedicated to the well to form a standard 40-acre spacing and proration unit for said formations. This well is located approximately 9 miles east-southeast of the intersection of Highways 31 and 128.

CASE 10652: (Continued from February 4, 1993, Examiner Hearing.)

Application of Pogo Producing Company for directional drilling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Mobil Federal Well No. 8 from a surface location 330 feet from the South line and 1380 feet from the East line (Unit O) of Section 29, Township 23 South, Range 31 East, in such a manner as to bottom the well in the Brushy Canyon formation of the Delaware Mountain Group, at a standard location approximately 413 feet from the South line and 1897 feet from the East line (Unit O) of said Section 29. Applicant also seeks approval for unorthodox locations in the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group pursuant to the following proposed drilling programs: the directional wellbore will enter the Bell Canyon formation at an unorthodox location approximately 330 feet from the South line and 1381 feet from the East line, and exit the Bell Canyon formation at an unorthodox location approximately 353 feet from the South line and 1526 feet from the East line of said Section 29. The directional wellbore will enter the Cherry Canyon formation at an unorthodox location approximately 353 feet from the South line and 1526 feet from the East line, and exit the Cherry Canyon formation at an orthodox location approximately 402 feet from the South line and 1829 feet from the East line of said Section 29. The SW/4 SE/4 of said Section 29 will be dedicated to the well to form a standard 40-acre spacing and proration unit for said formations. This well is located approximately 9 miles east-southeast of the intersection of Highways 31 and 128.

CASE 10666: Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, at approximately 8,200 feet, underlying the following described acreage in Section 18, Township 20 South, Range 27 East, and in the following described manner: the E/2 to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the N/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent; and the NE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said units are to be dedicated to a well to be drilled at an orthodox location 1980 feet from the South line and 660 feet from the East line of Section 18. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 4 miles north of Avalon Reservoir.

CASE 10667: Application of Marathon Oil Company for establishment of a temporary testing allowable, Vacuum-Drinkard Pool, Lea County, New Mexico. Applicant seeks an order establishing a special testing allowable for its Warn State a/c 2 Lease Project, comprising the W/2 of Section 6, Township 18 South, Range 35 East, NMPM, Vacuum-Drinkard Pool, for a maximum period of six months at a maximum rate equal to the capacity of each well within the project to produce oil from said pool. This project is located approximately 11 miles east of Buckeye, New Mexico.

CASE 10659: (Continued from January 21, 1993, Examiner Hearing.)

Application of Meridian Oil Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant seeks approval to establish a non-standard 160-acre gas spacing and proration unit in the Undesignated Rhodes Yates-Seven Rivers Gas Pool comprising the E/2 E/2 of Section 7, Township 26 South, Range 37 East, being approximately 4 miles south of Jal, New Mexico. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NE/4 NE/4 (Unit A) of said Section 7.

CASE 10556: (Reopened)

In the matter of Case 10556 being reopened pursuant to the provisions of Division Order No. R-9759, which order promulgated special pool rules and regulations for the Old Millman Ranch-Bone Spring Pool in Eddy County. Operators in said pool may appear and present evidence about the nature of the reservoir with regards to the proper classification of the pool as either oil or gas.

CASE 10560: (Continued from January 21, 1993, Examiner Hearing.)

Application of Conoco 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 Canyon formation underlying the NE/4 of Section 17, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw-Pennsylvanian Pool. Said unit is to be dedicated to the existing Southwest Royalties, Inc. Dagger Draw Well No. 1 located at a standard location 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 17, said unit and well were the subject of Division Case No. 10471. 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 6.5 miles northwest of Seven Rivers, New Mexico.

CASE 10574: (Continued from January 21, 1993, 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, at approximately 8,200 feet, underlying the following described acreage in Section 14, Township 20 South, Range 24 East, and in the following described manner: the N/2 to form a single standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the South Dagger Draw-Upper Pennsylvanian Associated Pool); the NE/4 and NW/4 to form two standard 160-acre gas spacing and proration units for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NW/4 NE/4 and SW/4 NW/4 to form two standard 40-acre oil spacing and proration units for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. The proposed 320-acre unit is to be dedicated to either a single well to be drilled at a standard location in Unit B or Unit E or to both wells to be simultaneously dedicated to the 320-acre unit. Further the 160-acre gas unit comprising the NE/4 and the 40-acre oil unit comprising the NW/4 NE/4 are to be dedicated to the proposed well to be drilled in Unit B. The 160-acre gas unit comprising the NW/4 and the 40-acre oil unit comprising the SW/4 NW/4 are to be dedicated to the proposed well to be drilled in Unit E. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 7.5 miles west by south of Seven Rivers, New Mexico.

CASE 10668: **Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 29, Township 19 South, Range 25 East forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said unit is 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles west of Lakewood, New Mexico.

CASE 10669: **Application of Columbia Gas Development Corporation for pool creation, special pool rules and a discovery allowable, Lea County, New Mexico.** Applicant seeks the creation of a new pool for the production of oil from the Wolfcamp formation comprising the NW/4 of Section 34, Township 14 South, Range 38 East, and the promulgation of special rules therefor including a provision for 160-acre spacing and proration units and designated well location requirements. Applicant further seeks the assignment of an oil discovery allowable, pursuant to Division General Rule 509, to the McMillan "34" Well No. 1 located 400 feet from the North line and 1980 feet from the West line (Unit C) of said Section 34. Said area is located approximately 2.5 miles southwest of Bronco, Texas.

CASE 10670: **Application of Maralo, Inc. for pool creation, special pool rules and a discovery allowable, Lea County, New Mexico.** Applicant seeks the creation of a new pool for the production of oil from the Devonian formation comprising the E/2 NW/4 of Section 20, Township 9 South, Range 35 East, and the promulgation of special rules therefor including a provision for 80-acre spacing and proration units and designated well location requirements. Applicant further seeks the assignment of an oil discovery allowable, pursuant to Division General Rule 509, to the Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line (Unit C) of said Section 20. Said area is located approximately 2.5 miles west by north of Crossroads, Texas.

CASE 10671: **Application of Chuza Operating for pool creation and special pool rules, Lea County, New Mexico.** Applicant seeks the creation of a new pool for the production of oil from the Blinebry formation comprising the SE/4 NE/4 and NE/4 SE/4 of Section 11, and the SW/4 NW/4 of Section 12, both in Township 23 South, Range 37 East, and the promulgation of special rules therefor including a provision for a gas-oil limitation of 6000 cubic feet of gas per barrel of oil. Applicant further requests that the proposed special pool rules be made effective retroactive to December 14, 1992. Said area is located approximately 8 miles south by east of Eunice, New Mexico.

CASE 10647: (Continued from February 4, 1993, Examiner Hearing.)

Application of Seely Oil Company for statutory unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the EK-Yates-Seven Rivers-Queen Pool, underlying 1148.40 acres, more or less, of State land comprising portions of Township 18 South, Ranges 33 and 34 East, to be designated the Central EK Queen Unit Area. To be considered will be those matters required by the New Mexico Statutory Unitization Act, Subsection 70-7-1, et seq., N.M.S.A. 1978, and other provisions of the unit agreement and unit operating agreement. Said unit area is located approximately 22 miles west of Hobbs, New Mexico.

CASE 10648: (Continued from February 4, 1993, Examiner Hearing.)

Application of Seely Oil Company for approval of a waterflood project and qualification for the recovered oil tax rate, Lea County, New Mexico. Applicant seeks authority to institute a waterflood project by injection of water into the Yates, Seven Rivers and Queen formations in its proposed EK Queen Unit Area (Division Case No. 10647) underlying portions of Township 18 South, Ranges 33 and 34 East. The applicant further seeks to qualify this project for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is centered approximately 22 miles west of Hobbs, New Mexico.

Docket No. 6-93

THIS COMMISSION HEARING WILL BE HELD AT MABRY HALL, EDUCATION BUILDING

DOCKET: COMMISSION HEARING - THURSDAY - FEBRUARY 25, 1993

9:00 A.M. - MABRY HALL, EDUCATION BUILDING

SANTA FE, NEW MEXICO

The Land Commissioner's designee for this hearing will be Gary Carlson and Jami Bailey

CASE 10672: The Oil Conservation Division is calling a hearing on its own motion to accept nominations and other evidence and information to assist in determining April 1993 through September 1993 gas allowables for the prorated gas pools in New Mexico. Thirteen of the prorated gas pools are in Lea, Eddy, and Chaves Counties in Southeast New Mexico and four pools are in San Juan, Rio Arriba, and Sandoval Counties in Northwest New Mexico. Amendments to the Gas Proration Rules approved by Commission Order No. R-8170-H in December 1990 provide for allowables to be established for 6-month allocation periods beginning in April and October of each year. Information concerning preliminary allowable estimates for the April-September period is being distributed with OCD Memorandum dated February 5, 1993.

CASE 10637: (De Novo)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the E/2 of Section 35, Township 17 South, Range 27 East, forming a standard 320-acre, more or less, gas spacing and proration unit for said pool. Said unit is to be dedicated to the applicant's Chalk Bluff "35" Federal Well No. 1 to be drilled at an orthodox location within said E/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6 miles southeast of Artesia, New Mexico. Upon application of Devon Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10345: (DE NOVO - Continued from January 14, 1993, Commission Hearing.)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #390 to determine the reasonableness of such costs pursuant to the provisions of Commission Order R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

CASE 10346: (DE NOVO - Continued from January 14, 1993, Commission Hearing.)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #391 to determine the reasonableness of such costs pursuant to the provisions of Commission Order R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

CASE 10507: (DE NOVO - Continued from January 14, 1993, Commission Hearing.)

Application of C & C Landfarm Inc. for a commercial surface waste disposal facility, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to construct and operate a commercial landfarm facility for remediation of non-hazardous hydrocarbon-contaminated soils using an enhanced biodegradation process. Said area is to be located in the SW/4 NE/4 (Unit G) of Section 3, Township 20 South, Range 37 East, which is approximately 2 miles southeast of Monument, New Mexico. Upon application of intervenors Elsie Reeves, S-W Cattle Co. and W. T. (Trent) Stradley, this case will be heard De Novo pursuant to the provisions of Rule 1220.

ENGP216T--ENGP216-01
 RUN-TIME: 15:40:43

EXHIBIT "A" COMMISSION ORDER NO.
 MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
 PRORATED GAS POOLS - SOUTHEAST NEW MEXICO
 FOR APR93 THRU SEP93

RUN-DATE 02/08/93

(1) AVERAGE MONTHLY POOL SALES APR92-SEP92 ALL VOLUME APE IN MCF.	105,758	500,824	310,329	240,881	384,049	2,505,122	92,730	3,513,791	1,188,148	48,936	288,492
	ATOKA PENN	BLINEBRY	BUFFALO VALLEY PENN	CARLSBAD HORROM	CATCLAW DRAW HORROM	EUMONT	INDIAN BASIN HORROM SO	INDIAN BASIN UPPER PENN	JALMAT	JUSTIS GL	TUBB

(2) TOTAL
 NOMINATIONS
 AVG MONTH VOL.

(3) ADJUSTMENTS.

(4) MONTHLY POOL ALLOWABLE APR93-SEP93 (LINE 1 + LINE 3.)	105,758	500,824	310,329	240,881	384,049	2,505,122	92,730	3,513,791	1,188,148	48,936	288,492
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(5) MONTHLY MARGINAL POOL ALLOWABLE APR92-SEP92	82,459	298,138	239,520	233,949	301,060	1,933,788	36,175	2,320,245	1,081,617	7,805	165,489
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(6) MONTHLY NON-MARGINAL POOL ALLOWABLES APR93-SEP93 LINE 4 - LINE 5	23,299	202,686	70,809	6,932	82,989	571,334	56,555	1,193,546	106,531	41,131	123,003
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(7) NUMBER OF NON-MARGINAL ACREAGE FACTORS	1.00	6.25	2.00			19.75	2.08	6.92	4.25	7.00	9.50
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(8) MONTHLY ACREAGE ALLOCATE FACTOR APR93-SEP93 (LN 6 / LN 7)	23,299	32,429	35,450			28,928	27,189	172,478	25,066	5,876	12,947
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F1 FACTORS FOR OTHER POOLS
 BURTON FLAT STRAWN F1 = 10,000
 MONUMENT MCKEE ELLEN F1 = 25,000

EXHIBIT "B" COMMISSION ORDER NO.
 MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
 PRORATED GAS POOLS - NORTHWEST NEW MEXICO
 FOR APR93 THRU SEP93

ENG216T--ENG216-01
 RUN-TIME: 15:40:43

ENG216T--ENG216-01
 RUN-TIME: 15:40:43

ENG216T--ENG216-01
 RUN-TIME: 15:40:43

	BASIN	BLANCO	BLANCO	TAPACITO
	DAKOTA	MESA VERDE	P.C. SOUTH	
(1) AVERAGE MONTHLY POOL SALES APR92-SEP92 ALL VOLUME ARE IN MCF.	8,171,546	14,317,142	1,257,285	234,942
(2) TOTAL NOMINATIONS AVG MONTH VOL.				
(3) ADJUSTMENTS.				
(4) MONTHLY POOL ALLOWABLE APR93-SEP93 (LINE 1 + LINE 3.)	8,171,546	14,317,142	1,257,285	234,942
(5) MONTHLY MARGINAL POOL ALLOWABLE APR92-SEP92	6,377,077	8,886,664	868,301	146,291
(6) MONTHLY NON-MARGINAL POOL ALLOWABLES APR93-SEP93 LINE 4 - LINE 5	1,794,469	5,430,478	388,984	88,651
(7) NUMBER OF NON-MARGINAL ACREAGE FACTORS	259.84	471.26	332.22	79.10
(8) NUMBER OF NON-MARGINAL ACREAGE TIMES DELIVERABILITY FACTORS	117,671	241,798	15,894	6,114
(9) MONTHLY ACREAGE ALLOCATE FACTOR APR93-SEP93	4,143	2,880	292	280
(10) MONTHLY ACREAGE TIMES DELIVERABILITY ALLOCATE FACTOR APR93-SEP93	6.09	16.84	18.35	10.87



STATE OF NEW MEXICO
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION



BRUCE KING
 GOVERNOR

ANITA LOCKWOOD
 CABINET SECRETARY

POST OFFICE BOX 2088
 STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO 87504
 (505) 827-5800

MEMORANDUM

TO: Attorneys, operators and parties appearing before OCD Examiners

FROM: Michael E. Stogner, Chief Hearing Officer *M.E.S.*

SUBJECT: Examiner Hearing Days and Dates for 1993

DATE: February 8, 1993

The following schedule is established for the Examiner Hearings in Santa Fe for 1993.

<u>MONTH</u>	<u>DATE</u>
February	4 and 18
March	4 and 18
April	8 and 22
May	6 and 20
June	3 and 17
July	1, 15 and 29
August	12 and 26
September	9 and 23
October	7 and 21
November	4 and 18
December	2 and 16
January, 1994	6

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 18, 1993
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

Dockets Nos. 7-93 and 8-93 are tentatively set for March 4, 1993 and March 18, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

CASE 10635: (Readvertised)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from a depth 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the following described areas in Section 15, Township 18 South, Range 28 East, and in the following manner: the E/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the Undesignated Palmillo Draw-Atoka Gas Pool, Undesignated South Empire-Morrow Gas Pool, Undesignated North Illinois Camp-Morrow Gas Pool, and Undesignated North Turkey Track-Morrow Gas Pool); the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the W/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent (which presently includes only the Undesignated Travis-Upper Pennsylvanian Pool); and the NW/4 SE/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled at an unorthodox location 1500 feet from the South line and 1980 feet from the East line (Unit J) of said Section 15. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles east-southeast of Artesia, New Mexico.

CASE 10651: (Continued from February 4, 1993, Examiner Hearing.)

Application of Pogo Producing Company for directional drilling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Mobil Federal Well No. 3 from a surface location 480 feet from the North line and 660 feet from the East line (Unit A) of Section 29, Township 23 South, Range 31 East, in such a manner as to bottom the well in the Brushy Canyon formation of the Delaware Mountain Group, at a standard location approximately 578 feet from the North line and 1870 feet from the East line (Unit B) of said Section 29. Further, applicant seeks approval for an unorthodox location in the Cherry Canyon formation of the Delaware Mountain Group, with the directional wellbore entering the Cherry Canyon formation at an unorthodox location 540 feet from the North line and 1405 feet from the East line, and exiting the Cherry Canyon formation at an orthodox location 571 feet from the North line and 1789 feet from the East line of said Section 29. The NW/4 NE/4 of said Section 29 will be dedicated to the well to form a standard 40-acre spacing and proration unit for said formations. This well is located approximately 9 miles east-southeast of the intersection of Highways 31 and 128.

CASE 10652: (Continued from February 4, 1993, Examiner Hearing.)

Application of Pogo Producing Company for directional drilling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Mobil Federal Well No. 8 from a surface location 330 feet from the South line and 1380 feet from the East line (Unit O) of Section 29, Township 23 South, Range 31 East, in such a manner as to bottom the well in the Brushy Canyon formation of the Delaware Mountain Group, at a standard location approximately 413 feet from the South line and 1897 feet from the East line (Unit O) of said Section 29. Applicant also seeks approval for unorthodox locations in the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group pursuant to the following proposed drilling programs: the directional wellbore will enter the Bell Canyon formation at an unorthodox location approximately 330 feet from the South line and 1381 feet from the East line, and exit the Bell Canyon formation at an unorthodox location approximately 353 feet from the South line and 1526 feet from the East line of said Section 29. The directional wellbore will enter the Cherry Canyon formation at an unorthodox location approximately 353 feet from the South line and 1526 feet from the East line, and exit the Cherry Canyon formation at an orthodox location approximately 402 feet from the South line and 1829 feet from the East line of said Section 29. The SW/4 SE/4 of said Section 29 will be dedicated to the well to form a standard 40-acre spacing and proration unit for said formations. This well is located approximately 9 miles east-southeast of the intersection of Highways 31 and 128.

CASE 10666: Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, at approximately 8,200 feet, underlying the following described acreage in Section 18, Township 20 South, Range 27 East, and in the following described manner: the E/2 to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the N/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent; and the NE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said units are to be dedicated to a well to be drilled at an orthodox location 1980 feet from the South line and 660 feet from the East line of Section 18. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 4 miles north of Avalon Reservoir.

CASE 10667: Application of Marathon Oil Company for establishment of a temporary testing allowable, Vacuum-Drinkard Pool, Lea County, New Mexico. Applicant seeks an order establishing a special testing allowable for its Warn State a/c 2 Lease Project, comprising the W/2 of Section 6, Township 18 South, Range 35 East, NMPM, Vacuum-Drinkard Pool, for a maximum period of six months at a maximum rate equal to the capacity of each well within the project to produce oil from said pool. This project is located approximately 11 miles east of Buckeye, New Mexico.

CASE 10659: (Continued from January 21, 1993, Examiner Hearing.)

Application of Meridian Oil Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant seeks approval to establish a non-standard 160-acre gas spacing and proration unit in the Undesignated Rhodes Yates-Seven Rivers Gas Pool comprising the E/2 E/2 of Section 7, Township 26 South, Range 37 East, being approximately 4 miles south of Jal, New Mexico. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NE/4 NE/4 (Unit A) of said Section 7.

CASE 10556: (Reopened)

In the matter of Case 10556 being reopened pursuant to the provisions of Division Order No. R-9759, which order promulgated special pool rules and regulations for the Old Millman Ranch-Bone Spring Pool in Eddy County. Operators in said pool may appear and present evidence about the nature of the reservoir with regards to the proper classification of the pool as either oil or gas.

CASE 10560: (Continued from January 21, 1993, Examiner Hearing.)

Application of Conoco 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 Canyon formation underlying the NE/4 of Section 17, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw-Pennsylvanian Pool. Said unit is to be dedicated to the existing Southwest Royalties, Inc. Dagger Draw Well No. 1 located at a standard location 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 17, said unit and well were the subject of Division Case No. 10471. 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 6.5 miles northwest of Seven Rivers, New Mexico.

CASE 10574: (Continued from January 21, 1993, 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, at approximately 8,200 feet, underlying the following described acreage in Section 14, Township 20 South, Range 24 East, and in the following described manner: the N/2 to form a single standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent (which presently includes but is not necessarily limited to the South Dagger Draw-Upper Pennsylvanian Associated Pool); the NE/4 and NW/4 to form two standard 160-acre gas spacing and proration units for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NW/4 NE/4 and SW/4 NW/4 to form two standard 40-acre oil spacing and proration units for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. The proposed 320-acre unit is to be dedicated to either a single well to be drilled at a standard location in Unit B or Unit E or to both wells to be simultaneously dedicated to the 320-acre unit. Further the 160-acre gas unit comprising the NE/4 and the 40-acre oil unit comprising the NW/4 NE/4 are to be dedicated to the proposed well to be drilled in Unit B. The 160-acre gas unit comprising the NW/4 and the 40-acre oil unit comprising the SW/4 NW/4 are to be dedicated to the proposed well to be drilled in Unit E. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 7.5 miles west by south of Seven Rivers, New Mexico.

CASE 10668: **Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 29, Township 19 South, Range 25 East forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said unit is 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles west of Lakewood, New Mexico.

CASE 10669: **Application of Columbia Gas Development Corporation for pool creation, special pool rules and a discovery allowable, Lea County, New Mexico.** Applicant seeks the creation of a new pool for the production of oil from the Wolfcamp formation comprising the NW/4 of Section 34, Township 14 South, Range 38 East, and the promulgation of special rules therefor including a provision for 160-acre spacing and proration units and designated well location requirements. Applicant further seeks the assignment of an oil discovery allowable, pursuant to Division General Rule 509, to the McMillan "34" Well No. 1 located 400 feet from the North line and 1980 feet from the West line (Unit C) of said Section 34. Said area is located approximately 2.5 miles southwest of Bronco, Texas.

CASE 10670: **Application of Maralo, Inc. for pool creation, special pool rules and a discovery allowable, Lea County, New Mexico.** Applicant seeks the creation of a new pool for the production of oil from the Devonian formation comprising the E/2 NW/4 of Section 20, Township 9 South, Range 35 East, and the promulgation of special rules therefor including a provision for 80-acre spacing and proration units and designated well location requirements. Applicant further seeks the assignment of an oil discovery allowable, pursuant to Division General Rule 509, to the Barnes "20" Well No. 1 located 766 feet from the North line and 2201 feet from the West line (Unit C) of said Section 20. Said area is located approximately 2.5 miles west by north of Crossroads, Texas.

CASE 10671: **Application of Chuza Operating for pool creation and special pool rules, Lea County, New Mexico.** Applicant seeks the creation of a new pool for the production of oil from the Blinebry formation comprising the SE/4 NE/4 and NE/4 SE/4 of Section 11, and the SW/4 NW/4 of Section 12, both in Township 23 South, Range 37 East, and the promulgation of special rules therefor including a provision for a gas-oil limitation of 6000 cubic feet of gas per barrel of oil. Applicant further requests that the proposed special pool rules be made effective retroactive to December 14, 1992. Said area is located approximately 8 miles south by east of Eunice, New Mexico.

CASE 10647: (Continued from February 4, 1993, Examiner Hearing.)

Application of Seely Oil Company for statutory unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the EK-Yates-Seven Rivers-Queen Pool, underlying 1148.40 acres, more or less, of State land comprising portions of Township 18 South, Ranges 33 and 34 East, to be designated the Central EK Queen Unit Area. To be considered will be those matters required by the New Mexico Statutory Unitization Act, Subsection 70-7-1, et seq., N.M.S.A. 1978, and other provisions of the unit agreement and unit operating agreement. Said unit area is located approximately 22 miles west of Hobbs, New Mexico.

CASE 10648: (Continued from February 4, 1993, Examiner Hearing.)

Application of Seely Oil Company for approval of a waterflood project and qualification for the recovered oil tax rate, Lea County, New Mexico. Applicant seeks authority to institute a waterflood project by injection of water into the Yates, Seven Rivers and Queen formations in its proposed EK Queen Unit Area (Division Case No. 10647) underlying portions of Township 18 South, Ranges 33 and 34 East. The applicant further seeks to qualify this project for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is centered approximately 22 miles west of Hobbs, New Mexico.

Docket No. 6-93

THIS COMMISSION HEARING WILL BE HELD AT MABRY HALL, EDUCATION BUILDING

**DOCKET: COMMISSION HEARING - THURSDAY - FEBRUARY 25, 1993
9:00 A.M. - MABRY HALL, EDUCATION BUILDING
SANTA FE, NEW MEXICO**

The Land Commissioner's designee for this hearing will be Gary Carlson and Jami Bailey

CASE 10672: The Oil Conservation Division is calling a hearing on its own motion to accept nominations and other evidence and information to assist in determining April 1993 through September 1993 gas allowables for the prorated gas pools in New Mexico. Thirteen of the prorated gas pools are in Lea, Eddy, and Chaves Counties in Southeast New Mexico and four pools are in San Juan, Rio Arriba, and Sandoval Counties in Northwest New Mexico. Amendments to the Gas Proration Rules approved by Commission Order No. R-8170-H in December 1990 provide for allowables to be established for 6-month allocation periods beginning in April and October of each year. Information concerning preliminary allowable estimates for the April-September period is being distributed with OCD Memorandum dated February 5, 1993.

CASE 10637: (De Novo)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the E/2 of Section 35, Township 17 South, Range 27 East, forming a standard 320-acre, more or less, gas spacing and proration unit for said pool. Said unit is to be dedicated to the applicant's Chalk Bluff "35" Federal Well No. 1 to be drilled at an orthodox location within said E/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6 miles southeast of Artesia, New Mexico. Upon application of Devon Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10345: (DE NOVO - Continued from January 14, 1993, Commission Hearing.)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #390 to determine the reasonableness of such costs pursuant to the provisions of Commission Order R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

CASE 10346: (DE NOVO - Continued from January 14, 1993, Commission Hearing.)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #391 to determine the reasonableness of such costs pursuant to the provisions of Commission Order R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

CASE 10507: (DE NOVO - Continued from January 14, 1993, Commission Hearing.)

Application of C & C Landfarm Inc. for a commercial surface waste disposal facility, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to construct and operate a commercial landfarm facility for remediation of non-hazardous hydrocarbon-contaminated soils using an enhanced biodegradation process. Said area is to be located in the SW/4 NE/4 (Unit G) of Section 3, Township 20 South, Range 37 East, which is approximately 2 miles southeast of Monument, New Mexico. Upon application of intervenors Elsie Reeves, S-W Cattle Co. and W. T. (Trent) Stradley, this case will be heard De Novo pursuant to the provisions of Rule 1220.

ENGP216T--ENGP216-01
 RUN-TIME: 15:40:43

EXHIBIT "A" COMMISSION ORDER NO.
 MARKET DEMAND AND ALLOWABLE DEPRICIATION SCHEDULE
 PROPOSED GAS POOLS - SOUTHEAST NEW MEXICO
 FOR APR93 THRU SEP93

RUN-DATE 02/08/93

(1) AVERAGE MONTHLY POOL SALES APR92-SEP92 ALL VOLUME ARE IN MCF.	105,758	500,824	310,329	240,881	384,049	2,505,122	92,730	3,513,791	1,188,148	48,936	288,492
	ATOKA PENN	BLINEBRY	BUFFALO VALLEY PENN	CARLSBAD HORROW	CATCLAM DRAW HORROW	EUMONT	INDIAN BASIN HORROW SO	INDIAN BASIN UPPER PENN	JALMAT	JUSTIS GL	TUBB

(2) TOTAL
 NOMINATIONS
 AVG MONTH VOL.

(3) ADJUSTMENTS.

(4) MONTHLY POOL ALLOWABLE APR93-SEP93 (LINE 1 + LINE 3.)	105,758	500,824	310,329	240,881	384,049	2,505,122	92,730	3,513,791	1,188,148	48,936	288,492
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(5) MONTHLY MARGINAL POOL ALLOWABLE APR92-SEP92	82,459	298,138	239,520	233,949	301,060	1,933,788	36,175	2,320,245	1,081,617	7,805	165,489
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(6) MONTHLY NON-MARGINAL POOL ALLOWABLES APR93-SEP93 LINE 4 - LINE 5	23,299	202,686	70,809	6,932	82,989	571,334	56,555	1,193,546	106,531	41,131	123,003
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(7) NUMBER OF NON-MARGINAL ACREAGE FACTORS	1.00	6.25	2.00			19.75	2.08	6.92	4.25	7.00	9.50
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(8) MONTHLY ACREAGE ALLOCATE FACTOR APR93-SEP93 (LN 6 / LN 7)	23,299	32,429	35,450			28,928	27,189	172,478	25,066	5,876	12,947
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F1 FACTORS FOR OTHER POOLS
 BURTON FLAT STRAWN F1 = 10,000
 MONUMENT HCKEE ELLEN F1 = 25,000

ENGP216T--ENGP216-01
 RUN-TIME: 15:40:43

EXHIBIT "B" COMMISSION ORDER NO.
 MARKET DEMAND AND ALLOWABLE DETERMINATION SCHEDULE
 PRORATED GAS POOLS - NORTHWEST NEW MEXICO
 FOR APR93 THRU SEP93

RUN-DATE 02/08/93

	BASIN DAKOTA	BLANCO MESA VERDE	BLANCO P. C. SOUTH	TAPACITO
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(1) AVERAGE MONTHLY POOL SALES 8,171,546 14,317,142 1,257,285 234,942

APR92-SEP92
 ALL VOLUME ARE IN MCF.

(2) TOTAL
 NOMINATIONS
 AVG MONTH VOL.

(3) ADJUSTMENTS.

(4) MONTHLY POOL ALLOWABLE 8,171,546 14,317,142 1,257,285 234,942

APR93-SEP93
 (LINE 1 + LINE 3.)

(5) MONTHLY MARGINAL POOL ALLOWABLE 6,377,077 8,886,664 868,301 146,291

APR92-SEP92

(6) MONTHLY NON-MARGINAL POOL ALLOWABLES 1,794,469 5,430,478 388,984 88,651

APR93-SEP93
 LINE 4 - LINE 5

(7) NUMBER OF NON-MARGINAL ACREAGE FACTORS 259.84 471.26 332.22 79.10

(8) NUMBER OF NON-MARGINAL ACREAGE TIMES DELIVERABILITY FACTORS 117,671 241,798 15,894 6,114

(9) MONTHLY ACREAGE ALLOCATE FACTOR APR93-SEP93 4,143 2,880 292 280

(10) MONTHLY ACREAGE TIMES DELIVERABILITY ALLOCATE FACTOR APR93-SEP93 6.09 16.84 18.35 10.87

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 4, 1993
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

Dockets Nos. 5-93 and 6-93 are tentatively set for February 18, 1993 and March 4, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

CASE 10662: Application of Merit Energy Company for two unorthodox gas well locations, Chaves County, New Mexico. Applicant seeks approval for two unorthodox gas well locations in the South Pecos Slope-Abo Gas Pool. The NE/4 of Section 9, Township 9 South, Range 25 East, being a standard 160-acre gas spacing and proration unit, is to be dedicated to the Dana Federal Well No. 7 located 660 feet from the North line and 2310 feet from the East line (Unit B) of said Section 9 and Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 6, Township 10 South, Range 26 East, being a 159.66-acre gas spacing and proration unit, are to be dedicated to the Penjack Federal Well No. 9 located 2310 feet from the North and East lines (Unit G) of said Section 6. Said pool is in an area located anywhere from 3 miles to 18 miles northeast of Roswell, New Mexico.
IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 10651: (Continued from January 7, 1993, Examiner Hearing.)

Application of Pogo Producing Company for directional drilling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Mobil Federal Well No. 3 from a surface location 480 feet from the North line and 660 feet from the East line (Unit A) of Section 29, Township 23 South, Range 31 East, in such a manner as to bottom the well in the Brushy Canyon formation of the Delaware Mountain Group, at a standard location approximately 578 feet from the North line and 1870 feet from the East line (Unit B) of said Section 29. Further, applicant seeks approval for an unorthodox location in the Cherry Canyon formation of the Delaware Mountain Group, with the directional wellbore entering the Cherry Canyon formation at an unorthodox location 540 feet from the North line and 1405 feet from the East line, and exiting the Cherry Canyon formation at an orthodox location 571 feet from the North line and 1789 feet from the East line of said Section 29. The NW/4 NE/4 of said Section 29 will be dedicated to the well to form a standard 40-acre spacing and proration unit for said formations. This well is located approximately 9 miles east-southeast of the intersection of Highways 31 and 128.

CASE 10652: (Readvertised)

Application of Pogo Producing Company for directional drilling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Mobil Federal Well No. 8 from a surface location 330 feet from the South line and 1380 feet from the East line (Unit O) of Section 29, Township 23 South, Range 31 East, in such a manner as to bottom the well in the Brushy Canyon formation of the Delaware Mountain Group, at a standard location approximately 413 feet from the South line and 1897 feet from the East line (Unit O) of said Section 29. Applicant also seeks approval for unorthodox locations in the Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group pursuant to the following proposed drilling programs: the directional wellbore will enter the Bell Canyon formation at an unorthodox location approximately 330 feet from the South line and 1381 feet from the East line, and exit the Bell Canyon formation at an unorthodox location approximately 353 feet from the South line and 1526 feet from the East line of said Section 29. The directional wellbore will enter the Cherry Canyon formation at an unorthodox location approximately 353 feet from the South line and 1526 feet from the East line, and exit the Cherry Canyon formation at an orthodox location approximately 402 feet from the South line and 1829 feet from the East line of said Section 29. The SW/4 SE/4 of said Section 29 will be dedicated to the well to form a standard 40-acre spacing and proration unit for said formations. This well is located approximately 9 miles east-southeast of the intersection of Highways 31 and 128.

CASE 10663: Application of Union Oil Company of California d/b/a Unocal for an administrative downhole commingling procedure within the Rincon Unit Area, Rio Arriba County, New Mexico. Applicant seeks approval to commingle gas production from the Blanco-Mesaverde Pool or the Largo-Gallup Pool or Undesignated Gallup production with production from the Basin-Dakota Pool in the wellbores of existing and subsequently drilled wells within the Rincon Unit Area located in portions of Township 26 and 27 North, Ranges 6 and 7 West. Said Unit is located approximately 24 miles southeast by east of Blanco, New Mexico.

CASE 10647: (Continued from January 7, 1993, Examiner Hearing.)

Application of Seely Oil Company for statutory unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the EK-Yates-Seven Rivers-Queen Pool, underlying 1148.40 acres, more or less, of State land comprising portions of Township 18 South, Ranges 33 and 34 East, to be designated the Central EK Queen Unit Area. To be considered will be those matters required by the New Mexico Statutory Unitization Act, Subsection 70-7-1, et seq., N.M.S.A. 1978, and other provisions of the unit agreement and unit operating agreement. Said unit area is located approximately 22 miles west of Hobbs, New Mexico.

CASE 10648: (Continued from January 7, 1993, Examiner Hearing.)

Application of Seely Oil Company for approval of a waterflood project and qualification for the recovered oil tax rate, Lea County, New Mexico. Applicant seeks authority to institute a waterflood project by injection of water into the Yates, Seven Rivers and Queen formations in its proposed EK Queen Unit Area (Division Case No. 10647) underlying portions of Township 18 South, Ranges 33 and 34 East. The applicant further seeks to qualify this project for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is centered approximately 22 miles west of Hobbs, New Mexico.

CASE 10572: (Continued from January 21, 1993, Examiner Hearing.)

Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its W. H. Rhodes "B" Federal Waterflood Project, authorized by Division Order No. R-2748, by converting its W. H. Rhodes "B" Federal (NCT-1) Well No. 6 located 1980 feet from the South line and 660 feet from the East line (Unit D) and its W. H. Rhodes "B" Federal (NCT-1) Well No. 13 located 990 feet from the South line and 1650 feet from the East line (Unit O), both in Section 27, Township 26 South, Range 37 East, from producing oil wells to water injection wells. Said project area is located approximately 7.5 miles south-southeast of Jal, New Mexico.

CASE 10573: (Continued from January 21, 1993, Examiner Hearing.)

Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Rhodes Yates Unit Waterflood Project, authorized by Division Order No. R-3889, by converting its Rhodes Yates Unit Well No. 8 located 1875 feet from the North line and 765 feet from the West line (Unit E) and its Rhodes Yates Unit Well No. 13 located 660 feet from the South and West lines (Unit M), both in Section 27, Township 26 South, Range 37 East, Rhodes Yates Unit, Rhodes Yates-Seven Rivers Pool, from producing oil wells to water injection wells. Said project area is located approximately 7.5 miles south-southeast of Jal, New Mexico.

CASE 10664: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating, assigning a discovery allowable, 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 Bone Spring production and designated as the Cruz-Bone Spring Pool. The discovery well is the C. W. Trainer RL Well No. 1 located in Unit L of Section 16, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM

Section 16: SW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Northeast Grama Ridge-Bone Spring Pool. The discovery well is the BTA Oil Producers N. M. BZ State 8817 JV-P Well No. 1 located in Unit N of Section 26, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 26: SW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East Sand Dunes-Delaware Pool. The discovery well is the Texaco Exploration & Production Inc. SDE 18 Federal Well No. 1 located in Unit C of Section 18, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 18: NW/4

- (d) ASSIGN a bonus discovery allowable of 24,680 barrels of oil to the Meridian Oil Inc. Dagger Lake 5 State Well No. 1 located in Unit O of Section 5, Township 22 South, Range 33 East. This well produces from the Dagger Lake-Delaware Pool which was created by Division Order R-9792, effective December 1, 1992. Discovery allowable is to be retroactive to December 1, 1992.

- (e) EXTEND the East Allison-San Andres Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 28: N/2

- (f) EXTEND the South Baum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM
Section 3: All
Section 4: N/2
Section 5: N/2

- (g) EXTEND the North Bell Lake-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 19: E/2

- (h) EXTEND the Blinebry Oil & Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 17: NE/4

- (i) EXTEND the Buffalo-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 31: NE/4

- (j) EXTEND the Buffalo-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 2: NW/4

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 5: NW/4

- (k) EXTEND the Cass-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 9: S/2
Section 16: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 28: W/2

- (m) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 5: NE/4
Section 15: SW/4

- (n) EXTEND the Cuerno Largo-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 25: SE/4

- (o) EXTEND the Hat Mesa-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 33 EAST, NMPM
Section 7: SE/4
Section 8: S/2
Section 9: W/2

- (p) EXTEND the House-Blinebry Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 35: SE/4
Section 36: S/2

- (q) EXTEND the Jenkins-Devonian Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM
Section 19: SE/4
Section 20: W/2

- (r) EXTEND the Northeast Lea-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 2: SW/4

- (s) EXTEND the Lost Tank-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 18: S/2
Section 19: NW/4

- (t) EXTEND the Northeast Lovington-Wolfcamp Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 7: NW/4

- (u) EXTEND the Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 7: N/2

- (v) EXTEND the Quail Ridge-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 9: NE/4
Section 10: NE/4

- (w) EXTEND the Querecho Plains-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 34: S/2 and NE/4
Section 35: NW/4

- (x) EXTEND the Red Tank-Bone Spring Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 23: SE/4
Section 26: NE/4

- (y) EXTEND the Tubb Oil & Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 38 EAST, NMPM
Section 5: S/2 NW/4
- (z) EXTEND the North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 36: SE/4
TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 31: W/2
- (aa) EXTEND the Vacuum-Drinkard Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 1: SE/4
Section 12: NE/4
TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 6: SW/4
- (bb) EXTEND the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 31: SE/4

CASE 10665: 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 Eddy County, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Cemetery-Strawn Gas Pool. The discovery well is the Graham Royalty Ltd. Mayer Well No. 1 located in Unit C of Section 24, Township 20 South, Range 24 East, NMPM. Said pool would comprise:
TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 24: N/2
- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the Dark Canyon-Upper Pennsylvanian Gas Pool. The discovery well is the Collins and Ware Inc. Muley Federal Well No. 1 located in Unit J of Section 26, Township 23 South, Range 25 East, NMPM. Said pool would comprise:
TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 26: S/2
- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Dog Town Draw-Delaware Pool. The discovery well is the Bass Enterprises Production Co. Poker Lake Unit Well No. 41 located in Unit G of Section 21, Township 24 South, Range 30 East, NMPM. Said pool would comprise:
TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM
Section 21: NE/4
- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Northeast Dos Hermanos-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation Foundation "ALD" Federal Com Well No. 1 located in Unit J of Section 11, Township 20 South, Range 30 East, NMPM. Said pool would comprise:
TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM
Section 11: S/2

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Indian Basin-Strawn Gas Pool. The discovery well is the Barbara Fasken Skelly Federal Well No. 1 located in Unit M of Section 9, Township 21 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 9: S/2

- (f) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the South Sand Dunes-Delaware Pool. The discovery well is the Yates Petroleum Corporation Adeline ALN Federal Well No. 1 located in Unit F of Section 6, Township 24 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 6: NW/4

- (g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the East Turkey Track-Atoka Gas Pool. The discovery well is the Marbob Energy Corporation New Mexico DC State Well No. 1 located in Unit H of Section 18, Township 19 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 18: E/2

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

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM

Section 26: N/2

- (i) EXTEND the Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM

Section 16: S/2

Section 17: S/2

- (j) EXTEND the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 22: NE/4

Section 29: SW/4

- (k) EXTEND the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM

Section 36: SW/4

- (l) EXTEND the Northeast Fenton-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 2: SW/4

Section 10: N/2

Section 11: NW/4

- (m) EXTEND the East Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM

Section 35: SE/4

Section 36: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 32: E/2

Section 33: NW/4

- (o) EXTEND the Ingle Wells-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 26: SW/4

- (p) EXTEND the Los Medanos-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 17: NE/4

- (q) EXTEND the Russell-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 24: N/2

- (r) EXTEND the West Sand Dunes-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 32: S/2