

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 6, 1997

8:15 AM - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 36-97 and 37-97 are tentatively set for November 20, 1997 and December 4, 1997. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11864: (Continued from October 23, 1997, Examiner Hearing.)

Application of Nadel and Gussman Permian, LLC, for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the West Hobbs State Unit Agreement for an area comprising 3,360 acres, more or less, of State and fee lands consisting of all of Section 5, SE/4 of Section 7, all of Section 8, SW/4 of Section 9, all of Section 16, N/2 and SE/4 of Section 17, and all of Section 18, Township 18 South, Range 37 East. Said unit area is located approximately 4.5 miles west of Hobbs, New Mexico.

CASE 11862: **Application of Charles B. Gillespie, Jr. for compulsory pooling and a non-standard oil spacing and proration unit, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lots 17 and 18 of Section 6, Township 16 South, Range 36 East, to form a non-standard 73.12-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within said vertical extent, including the Undesignated Northeast Shoe Bar-Strawn Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location 990 feet from the South line and 874 feet from the West line (Unit M) of Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles west of Lovington, New Mexico.

CASE 11831: (Continued from October 9, 1997, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from 500 feet beneath the surface to the base of the Morrow formation underlying the following described acreage in Section 4, Township 18 South, Range 28 East, and in the following manner: Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) equivalent to form a standard 320.36-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Empire-Pennsylvanian Gas Pool and the Undesignated North Illinois Camp-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools spaced on 160-acre spacing within said vertical extent; and the N/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any formations and/or pools spaced on 80 acres within said vertical extent, including the Undesignated Travis-Upper Pennsylvanian Pool. Said units are to be dedicated to its Scoggin Draw "4" State Com Well No. 1, located 2310 feet from the South line and 660 feet from the West line (Unit L) of said Section 4. 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 13 miles southeast of Artesia, New Mexico.

CASE 11842: (Continued from October 23, 1997, Examiner Hearing.)

Application of Mewbourne Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval for its proposed ETA State Well No. 3 at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 8, Township 16 South, Range 35 East, to be drilled to the base of the Morrow formation, said location being unorthodox for any and all gas producing formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation, including but not limited to the Townsend-Morrow Gas Pool, and, if productive, to be dedicated to a 320-acre gas spacing unit consisting of the N/2 of said Section 8. Said well is located approximately 7 miles southwest of Lovington, New Mexico.

CASE 11870: **Application of Paladin Energy Corp. for a unit agreement, Lea County, New Mexico.** Applicant seeks approval of the Paladin Exploratory Unit Agreement for an area comprising 80 acres, more or less, of State and Fee lands in Sections 35 and 36 of Township 13 South, Range 37 East, which is located approximately 9 miles east of McDonald, New Mexico.

CASE 11871: **Application of Paladin Energy Corp. for an unorthodox well location, Lea County, New Mexico.** Applicant seeks approval to drill its State C Well No. 3 at an unorthodox well location 1550 feet from the North line and 10 feet from the West line (Unit E) of Section 36, Township 13 South, Range 37 East, in the Devonian formation, King-Devonian Pool. Said well is located approximately 9 miles east of McDonald, New Mexico.

CASE 11865: (Continued from October 23, 1997, Examiner Hearing.)

Application of Thompson Engineering & Production Corp. for an unorthodox gas well location and downhole commingling, San Juan County, New Mexico. Applicant seeks authorization to drill its Blancett Well No. 2R at an unorthodox ~~off-pattern~~ coal gas location in the Basin-Fruitland Coal Gas Pool 790 feet from the South line and 830 feet from the East line (Unit P) of Section 13, Township 20 North, Range 12 West. Applicant also seeks authority to downhole commingle production from the Pictured Cliffs formation, Aztec-Pictured Cliffs Gas Pool, and the Fruitland formation, Basin-Fruitland Coal Gas Pool within the wellbore of said well. The E/2 of said Section 13 is to be dedicated to said well forming a standard 320-acre spacing and proration unit. Said unit is located approximately 20 miles north-northeast of Crownpoint, New Mexico.

CASE 11872: **Application of Me-Tex Oil & Gas, Inc. for pool contraction, pool creation and special pool rules, Lea County, New Mexico.** Applicant seeks the contraction of the Skaggs-Drinkard Pool to delete the E/2 of Section 3, Township 20 South, Range 37 East, and the creation of a new pool for the production of hydrocarbons from the Drinkard formation to include the E/2 NE/4 of said Section 3. Applicant also seeks the promulgation of special rules and regulations for this new pool including provisions for a limiting gas-oil ratio of 20,000 cubic feet of gas for each barrel of oil produced. Said area is located approximately 2 miles southeast of Monument, New Mexico.

CASE 11873: **Application of Cobra Oil & Gas Corporation for an unorthodox well location, Lea County, New Mexico.** Applicant seeks approval to drill its Cobra Oil & Gas Corporation Gainer Unit Well No. 1 at an unorthodox well location 1294 feet from the North line and 39 feet from the West line (Unit D) of Section 22, Township 10 South, Range 36 East, in the Devonian formation, South Crossroads-Devonian Pool. Said well is located approximately 11 miles north-northeast of Tatum, New Mexico.

CASE 11874: **Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks approval to drill its State K Well No. 4 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 28, Township 19 South, Range 25 East, in the Morrow formation, Cemetery Morrow-Gas Pool. The S/2 of said Section 28 is to be dedicated to the well. Said well is located approximately 4 miles northwest of Seven Rivers, New Mexico.

CASE 11875: **Application of Stevens & Tull, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SW/4 NE/4 of Section 24, Township 20 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools spaced on 40-acre spacing, including but not limited to the Undesignated House-San Andres Pool, Blinbry Oil and Gas Pool, East Warren Tubbs Oil and Gas Pool and Undesignated D-K-Abo Pool. Said unit is to be dedicated to its Terry Well No. 1 to be drilled and completed at a standard well location in Unit G of said Section 24. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 13 miles southeast of Hobbs, New Mexico.

CASE 11876: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling and an unorthodox subsurface location for a directional wellbore, Eddy County, New Mexico.** Applicant seeks an order pooling certain owners of mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 11, Township 17 South, Range 25 East and for approval of an unorthodox surface location 660 feet from the North line and 1200 feet from the East line (Unit A) and an unorthodox subsurface location for its proposed Eagle Creek #1 Well No. 1 which is to be a directional wellbore with a bottomhole location approximately 660 feet from the North line and 1980 feet from the East line (Unit B) and with a producing interval not closer than 660 feet to the North line within a project area consisting of the E/2 of Section 11, Township 17 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre gas spacing within said vertical extent, including but not limited to the Eagle Creek-Atoka/Morrow Gas Pool and for the NE/4 of said Section 11 forming a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre gas spacing within said vertical extent, and the NW/4 NE/4 of said Section 11 forming a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre oil spacing within said vertical extent. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1/4 mile east of the Artesia airport, New Mexico.

CASE 11810: (Continued from October 9, 1997, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pennsylvanian formation underlying the S/2 of Section 13, Township 22 South, Range 24 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the McKittrick Hills-Upper Pennsylvanian Gas Pool; forming a standard 160-acre gas spacing and proration unit underlying the SE/4 of said Section 13 for any and all formations/pools developed on 160-acre gas spacing; and forming a 40-acre spacing unit underlying the SW/4 SE/4 of said Section 13 for any and all formations and/or pools spaced on 40-acre spacing. Said units are to be dedicated to its M-H 13 Federal Com Well No. 2 to be drilled and completed at a standard well location in Unit O of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 12 miles west of Carlsbad, New Mexico.

CASE 11877: **Application of Fasken Land and Minerals, Ltd. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying all of Section 12, Township 23 South, Range 24 East, forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the Rock Tank-Upper Morrow Gas Pool and the Rock Tank-Lower Morrow Gas Pool. Said unit is to be dedicated to its Carnero "12" Federal Com Well No. 1 to be drilled and completed at an unorthodox gas well location 500 feet from the North line and 2265 feet from the West line (Unit E) of said Section 12. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Fasken Oil and Ranch, Ltd. as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 15 miles southwest of Carlsbad, New Mexico.

CASE 11878: **Application of Fasken Oil and Ranch, Ltd. for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico.** Applicant seeks approval to drill its proposed Indian Hills Well No. 15 at an unorthodox gas well location 1300 feet from the South line and 330 feet from the West line (Unit M) of Irregular Section 17, Township 21 South, Range 25 East, NMPM, to the base of the Morrow formation, said location being unorthodox for any and all gas producing formations from the top of the Wolfcamp to the base of the Morrow, including but not limited to the Indian Basin-Morrow gas Pool, and, if productive, to be simultaneously dedicated to a non-standard 663.86-acre gas spacing and proration unit consisting of all of said Irregular Section 17 which is currently dedicated to the Indian Hills Unit Gas Com "A" Well No. 6 located at a previously approved unorthodox well location 1440 feet from the South and East lines (Unit J) of said Irregular Section 17. Said unit is located approximately 9 miles northwest from Carlsbad, New Mexico.

CASE 11850: (Continued from September 18, 1997, Examiner Hearing.)

Application of Diamond Head Properties, L. P., et al, for clarification of Division Order No. R-10731-B, Eddy County, New Mexico. Applicants, Diamond Head Properties, L. P. and its joint interest owners, Grover Family, L.P., Dugan Production Corp., Pennant Petroleum Inc. and Glenn S. Brant, (collectively the "Diamond Head Group") seek clarification of Order No. R-10731-B, issued February 2, 1997, and request that the Division order KCS Medallion Resources, Inc. ("KCS") to distribute to Diamond Head Properties and its joint owners their proportionate share of any nonconsenting working interest owner's share of production plus the 200% risk factor penalty. Said pooled unit is located approximately 10 miles north of Carlsbad, New Mexico.

CASE 11879: **Application of Burlington Resources Oil & Gas Company for approval of a pilot project including an exception from Rule 2(b) of the special rules and regulations for the Blanco-Mesaverde Gas Pool for purposes of establishing a pilot infill drilling program within its San Juan 27-5 Unit whereby up to four wells may be drilled on a standard gas proration unit to determine proper well density and well location requirements for Mesaverde wells, Rio Arriba County, New Mexico.** Applicant seeks approval for a pilot program including an exception for the San Juan 27-5 Unit from Rule 2(b) of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool and authorization to drill wells at unorthodox locations anywhere in the proration unit provided such wells are located no closer than 10 feet from any section, quarter-section or quarter-quarter section line and to increase the well density from the current maximum of two (2) wells (160-acre infill) provided in Order No. R-1670-T to a maximum of four (4) wells (80-acre infill) per gas proration and spacing unit for wells dedicated to the Blanco Mesaverde Gas Pool within the San Juan 27-5 unit. Said unit is located approximately 10 miles south of Gobernador, New Mexico.

CASE 11880: Application of Burlington Resources Oil & Gas Company for approval of a pilot project including an exception from Rule 2(b) of the special rules and regulations for the Blanco-Mesaverde Gas Pool to institute a pilot infill drilling program within a four-section area including six unorthodox gas well locations for purposes of establishing a program to determine proper well density and well location requirements for Mesaverde wells, San Juan County, New Mexico. Applicant seeks approval for a pilot project to be conducted within a four (4) section area (Section 1, Township 30 North, Range 11 West; Section 36, Township 31 North, Range 11 West; Section 31, Township 31 North, Range 10 West; and Section 6, Township 30 North, Range 10 West) including an exception from Rule 2(b) of Special Rules and Regulations for the Blanco-Mesaverde Gas Pool and authorization to drill six (6) unorthodox gas well locations within said area and to increase the well density from the current maximum of two (2) wells (160-acre infill) provided in Order No. R-1670-T to a maximum of four (4) wells (80-acre infill) per gas proration and spacing unit for wells dedicated to the Blanco Mesaverde Gas Pool within said project area. Said project is located approximately 4 miles northeast of Aztec, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 23, 1997

8:15 AM - 2040 South Pacheco
Santa Fe, New Mexico

Dockets Nos 34-97 and 35-97 are tentatively set for November 6, 1997 and November 20, 1997. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11851: (Continued from October 9, 1997, Examiner Hearing.)

Application of Okie Operating Company, Limited Partnership for a waterflood project, Eddy County, New Mexico. Applicant seeks authority to institute a waterflood project on its W. V. Hutcherson Lease located in portions of Section 21, Township 8 South, Range 34 East, by the injection of water into the San Andres formation, West Milnesand-San Andres Pool, through the perforated interval from approximately 4,506 feet to 4,578 feet in its W. V. Hutcherson Well No. 1 located 1980 feet from the North and West lines (Unit F) of Section 21. Said project is located approximately 7 miles west-southwest of Milnesand, New Mexico.

CASE 11863: Application of Dugan Production Corporation for surface commingling and off-lease measurement, San Juan County, New Mexico. Applicant seeks authority to surface commingle gas production from the Harper Hill Fruitland Sand-Pictured Cliffs and Basin-Fruitland Coal Gas Pools within six of its wells located on State, Federal and Fee lands in Section 1, Township 29 North, Range 14 West, and Sections 35 and 36, Township 30 North, Range 14 West. The applicant further seeks authority to allocate gas production to each of its wells on the basis of well tests and to measure the total gas production at a central facility located in the NE/4 NW/4 of Section 1. These wells are located approximately 4 miles northwest of Farmington, New Mexico.**CASE 11864: (This Case Will Be Continued to November 6, 1997.)**

Application of Nadel and Gussman Permian, LLC, for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the West Hobbs State Unit Agreement for an area comprising 3,360 acres, more or less, of State and fee lands consisting of all of Section 5, SE/4 of Section 7, all of Section 8, SW/4 of Section 9, all of Section 16, N/2 and SE/4 of Section 17, and all of Section 18, Township 18 South, Range 37 East. Said unit area is located approximately 4.5 miles west of Hobbs, New Mexico.

CASE 11842: (Readvertised)

Application of Mewbourne Oil Company for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval for its proposed ETA State Well No. 3 at an unorthodox gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 8, Township 16 South, Range 35 East, to be drilled to the base of the Morrow formation, said location being unorthodox for any and all gas producing formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation, including but not limited to the Townsend-Morrow Gas Pool, and, if productive, to be dedicated to a 320-acre gas spacing unit consisting of the N/2 of said Section 8. Said well is located approximately 7 miles southwest of Lovington, New Mexico.

CASE 11849: (Reopened)

Application of Chevron U.S.A. Inc. for an unorthodox gas well location, simultaneous dedication, and to reinstate Division Order No. R-1084-B, Lea County, New Mexico. Applicant seeks to reinstate Division Order No. R-1084-B, dated May 23, 1991, which authorized a 440-acre non-standard gas spacing and proration unit "GPU" in the Eumont Gas Pool comprising the SW/4 of Section 1 and the NE/4, N/2 NW/4, and SE/4 NW/4 of Section 12, both in Township 22 South, Range 36 East, which is located approximately 4 miles west-southwest of Eunice, New Mexico. Applicant further seeks approval of an unorthodox Eumont gas well location for said 440-acre GPU of its existing H. T. Mattern (NCT-E) Well No. 3 (API No. 30-025-08880), located 660 feet from the North and West lines (Unit D) of said Section 12. Eumont gas production attributed to said 440-acre GPU is to be simultaneously dedicated to said H. T. Mattern (NCT-E) Well No. 3 and its H. T. Mattern (NCT-E) Well Nos. 10, 11, and 13 located in Unit N of said Section 1 and Units B and H of said Section 12, respectively. In the absence of objection, this application will be taken under advisement.

CASE 11865: (This Case Will Be Continued to November 6, 1997.)

Application of Thompson Engineering & Production Corp. for an unorthodox gas well location and downhole commingling, San Juan County, New Mexico. Applicant seeks authorization to drill its Blancett Well No. 2R at an unorthodox "off-pattern" coal gas location in the Basin-Fruitland Coal Gas Pool 790 feet from the South line and 830 feet from the East line (Unit P) of Section 13, Township 20 North, Range 12 West. Applicant also seeks authority to downhole commingle production from the Pictured Cliffs formation, Aztec-Pictured Cliffs Gas Pool, and the Fruitland formation, Basin-Fruitland Coal Gas Pool within the wellbore of said well. The E/2 of said Section 13 is to be dedicated to said well forming a standard 320-acre spacing and proration unit. Said unit is located approximately 20 miles north-northeast of Crownpoint, New Mexico.

CASE 11866: Application of Stevens & Tull, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4 SE/4 of Section 25, Township 20 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools spaced on 40-acre spacing, including but not limited to the DK-Abo Pool. Said unit is to be dedicated to its D-K Well No. 6 to be drilled and completed at a standard well location in Unit P of said Section 25. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs 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 14 miles southeast of Hobbs, New Mexico.

CASE 11859: (Continued from October 9, 1997, Examiner Hearing.)

Application of Louis Dreyfus Natural Gas Corp. for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 13, Township 22 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing, including but not limited to the Happy Valley-Morrow Gas Pool; the SE/4 to form a 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing; and the SW/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its McGruder Federal Com "13" Well No. 1 which will be a directional wellbore with a surface location 280 feet from the South line and 1930 feet from the West line and with a bottomhole location 710 feet from the South line and 1650 feet from the East line (Unit O) of said Section 13. 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 units are located approximately 6 miles southwest of Carlsbad, New Mexico.

CASE 11867: In the matter of the hearing called by the Oil Conservation Division for an order creating, contracting, reclassifying, and redesignating certain pools in Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Brushy Canyon production and designated as the Antelope Ridge-Brushy Canyon Pool. The discovery well is the TOCO LLC Newkumet Federal Well No. 1 located in Unit H of Section 10, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 10: NE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Berry-Wolfcamp Pool. The discovery well is the Yates Petroleum Corporation Alphabet AQR State Well No. 1 located in Unit F of Section 17, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 17: NW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Brinninstool-Wolfcamp Pool. The discovery well is the Santa Fe Energy Resources Inc. Thistle Unit Well No. 2 located in Unit E of Section 28, Township 23 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM

Section 28: NW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for McKee production and designated as the North Eunice-McKee Pool. The discovery well is the Conoco Inc. Deck Estate 7 Well No. 1 located in Unit L of Section 7, Township 21 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 7: SW/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg and San Andres production and designated as the East Knowles-Grayburg-San Andres Pool. The discovery well is the JKR Oil & Gas Inc. Byers Well No. 1 located in Unit N of Section 7, Township 17 South, Range 39 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH. RANGE 39 EAST. NMPM

Section 7: SW/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Laguna Valley-Delaware Pool. The discovery well is the Nearburg Producing Company Federal LS Well No. 1 located in Unit B of Section 25, Township 20 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH. RANGE 34 EAST. NMPM

Section 25: NE/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production and designated as the Pearl-Grayburg Pool. The discovery well is the Mallon Oil Company Mallon 34 Federal Well No. 7 located in Unit H of Section 34, Township 19 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH. RANGE 34 EAST. NMPM

Section 34: NE/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production and designated as the West Reeves-Grayburg Pool. The discovery well is the Yates Petroleum Corporation Pawnee APW State Well No. 1 located in Unit A of Section 20, Township 18 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH. RANGE 35 EAST. NMPM

Section 20: NE/4

- (i) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the West Reeves-San Andres Pool. The discovery well is the Yates Petroleum Corporation Pawnee APW State Well No. 1 located in Unit A of Section 20, Township 18 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH. RANGE 35 EAST. NMPM

Section 20: NE/4

- (j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Northeast San Simon-Wolfcamp Pool. The discovery well is the Yates Petroleum Corporation Treat State Unit Well No. 1 located in Unit B of Section 34, Township 21 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH. RANGE 35 EAST. NMPM

Section 34: NE/4

- (k) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East Scharb-Delaware Pool. The discovery well is the TMBR/Sharp Drilling Inc. TMBR State Well No. 1 located in Unit G of Section 1, Township 19 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH. RANGE 35 EAST. NMPM

Section 1: NE/4

- (l) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Southwest Tatum-Devonian Pool. The discovery well is the Saba Energy of Texas Inc. Saba State Well No. 1 located in Unit I of Section 7, Township 13 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH. RANGE 36 EAST. NMPM

Section 7: SE/4

- (m) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the West Triple X-Bone Spring Pool. The discovery well is the Parker & Parsley Development LP Tres Equis State Well No. 1 located in Unit J of Section 6, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH. RANGE 33 EAST. NMPM

Section 6: SE/4

- (n) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the North Triste Draw-Atoka Gas Pool. The discovery well is the Penwell Energy Inc. Tomcat Federal 21 Com Well No. 1 located in Unit F of Section 21, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH. RANGE 32 EAST. NMPM

Section 21: N/2

- (o) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the East Triste Draw-Bone Spring Pool. The discovery well is the Parker & Parsley Development LP Getty 28 State Well No. 1 located in Unit J of Section 28, Township 24 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH. RANGE 33 EAST. NMPM

Section 28: SE/4

- (p) CONTRACT the West Lovington-Strawn Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 16 SOUTH. RANGE 35 EAST. NMPM

Section 1: Lots 11, 12, 13 and 14

- (q) RECLASSIFY the House-Tubb Gas Pool in Lea County, New Mexico, from a gas pool to an oil pool and redesignate said pool as the House-Tubb Pool.

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

TOWNSHIP 23 SOUTH. RANGE 34 EAST. NMPM

Section 28: SE/4

- (s) EXTEND the South Big Dog-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH. RANGE 35 EAST. NMPM

Section 1: Lots 11, 12, 13 and 14

Section 2: Lots 9, 10, 11, 12, 13, 14, 15 and 16

Section 3: Lots 9, 10, 15, 16 and SE/4

- (t) EXTEND the Crazy Horse-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH. RANGE 32 EAST. NMPM

Section 13: SE/4

- (u) EXTEND the Northeast Echol-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH. RANGE 37 EAST. NMPM

Section 15: SE/4

- (v) EXTEND the North Feather-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH. RANGE 32 EAST. NMPM

Section 9: S/2

- (w) EXTEND the East Fowler-Ellenburger Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH. RANGE 38 EAST. NMPM

Section 17: S/2

- (x) EXTEND the High Plains-Permo Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 27: S/2

- (y) EXTEND the Kemnitz-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 13: W/2
Section 14: N/2 and SW/4

- (z) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 12: NE/4

- (aa) EXTEND the West Maljamar-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 17: SE/4
Section 20: NE/4

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

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 5: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 8: S/2

- (dd) EXTEND the Monument-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 23: SW/4
Section 26: SE/4
Section 35: E/2

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 5: SW/4

- (ee) EXTEND the North Monument-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM
Section 12: SW/4
Section 13: NW/4
Section 23: NE/4

- (ff) EXTEND the West Nadine-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 4: SW/4

- (gg) EXTEND the West Red Tank-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 13: SE/4

Section 24: NE/4

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 1: NE/4

- (hh) EXTEND the San Simon-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM

Section 18: NE/4

- (ii) EXTEND the Northeast Shoebar-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 5: S/2

Section 6: SE/4

Section 8: W/2

- (jj) EXTEND the Townsend-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 26: SE/4

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 26: S/2

Section 35: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 30: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 25: S/2

- (nn) EXTEND the North Vacuum-Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 35: W/2 and SE/4

Section 36: W/2

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

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 32: SE/4

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

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 28: SE/4

(qq) EXTEND the East Warren-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 24: NW/4

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

DOCKET: COMMISSION HEARING - THURSDAY - OCTOBER 30, 1997

9:00 A.M. - 2040 SOUTH PACHECO - SANTA FE, NEW MEXICO
The Land Commissioner's designee for this hearing will be Jami Bailey

CASE 11723: (De Novo)

Application of Mewbourne Oil Company for an unorthodox gas well location and non-standard gas proration unit, Eddy County, New Mexico. Applicant seeks authorization to drill a well at an unorthodox gas well location 660 feet from the South line and 2310 feet from the East line (Lot 31-Unit W) of Irregular Section 1, Township 21 South, Range 25 East, to test the Catclaw Draw-Morrow Gas Pool. Lots 29, 30, 31, and 32 and the SW/4 (S/2 equivalent) of said irregular Section 1 is to be dedicated to said well to form a non-standard 297.88-acre, more or less, gas spacing and proration unit for said pool. Said unit is located approximately 9 miles northwest of Carlsbad, New Mexico. Upon application of Mewbourne Oil Company and Texaco Exploration and Production Inc. this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11755: (De Novo)

Application of Fasken Oil and Ranch, Ltd. for a non-standard gas proration and spacing unit and two alternate unorthodox gas well locations, Eddy County, New Mexico. Applicant seeks to dedicate a non-standard 297.88-acre gas spacing unit consisting of Lots 29, 30, 31, 32 and the SW/4 (S/2 equivalent) of Irregular Section 1, Township 21 South, Range 25 South to one of the following described alternative wells and authority to drill a well to a depth sufficient to test the Morrow formation at an unorthodox gas well location either 2080 feet from the West line and 750 feet from the West line or, in the alternative, 660 feet from the South line and 2310 feet from the East line, both in said Irregular Section 1, said locations being unorthodox for any and all gas producing formations from the top of the Wolfcamp to the base of the Morrow, including but not limited to the Catclaw Draw-Morrow Gas Pool. Said unit is located approximately 9 miles northwest of Carlsbad, New Mexico. Upon application of Mewbourne Oil Company and Texaco Exploration and Production Inc. this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11868: **Application of Texaco Exploration and Production Inc. for clarification or, in the alternative, an exception to the special pool rules and regulations for the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico.** Applicant seeks an order clarifying the Division Rules which govern the development of the Catclaw Draw-Morrow Gas Pool as these rules apply to second wells on spacing units within this pool or, in the alternative, for an exception to these rules for its E. J. Levers Federal "NCT-1" Well Nos. 1 and 2 located in Section 12, Township 21 South, Range 25 East. Said area is located approximately 8.5 miles northwest of Carlsbad, New Mexico.