

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 4, 1997

8:15 AM - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 39-97 and 1-98 are tentatively set for December 18, 1997 and January 8, 1998. 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 11850: (Continued from November 6, 1997, Examiner Hearing - This Case will be Dismissed.)

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 11886: **Application of Nadel and Gussman Permian, LLC. for a unit agreement, Lea County, New Mexico.** Applicant seeks approval of the West Hobbs Unit Agreement for an area comprising 1,359.6 acres, more or less, of State lands in portions of Section 5, 8, and 17, all in Township 18 South, Range 37 East. Said unit area is located approximately 3.5 miles west of the Hobbs Industrial Airport.**CASE 11878:** (Continued from November 6, 1997, Examiner Hearing.)

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 11887: **Application of Santa Fe Energy Resources, Inc. for compulsory pooling and a non-standard gas spacing and proration unit, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 3-6 and 11-14 of Section 1, Township 21 South, Range 34 East, to form a non-standard 315.22-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Wilson-Morrow Gas Pool. Said unit is to be dedicated to its Outland "1" State Well No. 1, to be drilled at an orthodox gas well location 3300 feet from the North line and 1650 feet from the West line of said Section 1. 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 the risk involved in drilling said well. Said unit is located approximately 10 miles west-northwest of Oil Center, New Mexico.**CASE 11888:** **Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 19, Township 20 South, Range 34 East, and in the following manner: Lots 1-4 and the E/2 W/2 (W/2 equivalent) to form a standard 320.28-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including but not limited to the Undesignated Quail Ridge-Morrow Gas Pool; and Lots 3, 4 and the E/2 SW/4 (SW/4 equivalent) to form a standard 160.19-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent. Said units are to be dedicated to the plugged and abandoned Cities Service Oil Company Government "N" Com. Well No. 1Y (to be redesignated the Topaz Fed. Com. Well No. 1), located at an unorthodox gas well location 660 feet from the South line and 2084 feet from the West line (Unit N) of said Section 19. If re-entry at that location is unsuccessful, the well will be directionally drilled to an unorthodox location within a 50 foot radius of 660 feet from the South line and 1100 feet from the West line (Unit M) of Section 19. Also to be considered will be the cost of re-entering and directionally 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 the risk involved in drilling said well. Said unit is located approximately 20.5 miles west-northwest of Oil Center, New Mexico.

CASE 11889: **Application of Leonard Resource Investment Corporation 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 14, Township 20 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for all formations and/or pools spaced on 40 acres within said vertical extent, including but not limited to the Undesignated House-San Andres Pool, Undesignated South House-Blinebry Pool, Undesignated East Warren-Tubb Pool, Undesignated House-Drinkard Pool, and Undesignated D-K Abo Pool. Said unit is to be dedicated to applicant's Bull Durham Well No. 1, to be drilled at an orthodox oil well location 330 feet from the South line and 660 feet from the East line of said Section 14. Also to be considered will be the cost of drilling 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 9 miles south-southwest of Hobbs, New Mexico.

CASE 11831: (Continued from November 6, 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 11882: (Continued from November 20, 1997, Examiner Hearing.)

Application of Xeric Oil & Gas Corporation 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 14, Township 20 South, Range 38 East, forming a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing, including but not necessarily limited to the D-K-Abo Pool. Said unit is to be dedicated to its Hall Well No. 1 to be drilled and completed at a standard well location in Unit P of said Section 14. 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 unit is located approximately 10 miles southeast of Hobbs, New Mexico.

CASE 11890: **Application of ARCO Permian to amend Division Order No. R-10781, Eddy County, New Mexico.** Applicant seeks an amendment to Division Order No. R-10781, issued in Case 11727 and dated March 18, 1997, authorizing the previously approved unorthodox subsurface gas well location for a standard 320-acre gas spacing and proration unit comprising the N/2 of Section 35, Township 17 South, Range 28 East within the South Empire-Morrow Gas Pool, which was within 100 feet of a point 1253 feet from the North line and 508 feet from the East line (Unit A) of Section 35, to now be applied to its proposed Evelyn "35" State Com Well No. 2 to be drilled from a surface location 1439 feet from the North line and 349 feet from the East line (Unit H) of said Section 35. Said unit is located approximately 18 miles southeast of Artesia, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 11865: (Readvertised)

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 30 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 2 miles southeast of Aztec, New Mexico.

CASE 11821: (Continued from November 20, 1997, Examiner Hearing.)

Amended application of Paloma Resources Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Strawn formation in the S/2 SW/4 of Section 28, Township 16 South, Range 37 East, forming a standard 80-acre spacing and proration unit in the Undesignated West Casey-Strawn Pool. Said unit is to be dedicated to the Paloma Resources Inc. Shell Oil Company Home Stake Well No. 1 located 660 feet from the South and West lines of said Section 28 (Unit M) which, in accordance with Division Rule 111, is to be a directional wellbore whose Producing Interval will be located within its Producing Area and dedicated to a Project Area consisting of the S/2 SW/4 of Section 28, Township 16 South, Range 37 East. 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 7 miles north-northwest of Humble City, New Mexico.

CASE 11891: **Application of Cobra Oil & Gas Corporation for a unit agreement and an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks approval of the Henard Unit Agreement for an area comprising 80 acres, more or less, of fee lands comprising the SW/4 SE/4 (Unit O) of Section 23 and the NW/4 NE/4 (Unit B) of Section 26, both in Township 11 South, Range 37 East, which is located approximately 6 miles north of Gladiola, New Mexico. Applicant further seeks approval to drill the Unit's initial well to the Undesignated Gladiola-Devonian Pool at an unorthodox oil well location 250 feet from the North line and 2300 feet from the East line (Unit B) of said Section 26. The NW/4 NE/4 of said Section 26 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for said pool.

CASE 11873: (Continued from November 6, 1997, Examiner Hearing.)

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 11892: **Application of John H. Hendrix Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the top of the San Andres formation to the base of the Abo formation underlying the following described areas in Section 3, Township 20 South, Range 37 East, and in the following manner: the S/2 SW/4 forming a standard 80-acre oil spacing and proration unit for the Monument-Tubb Pool; and the SW/4 SW/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 its Ellen Weir Well No. 2 which will be drilled at a standard oil well location 330 feet from the South line and 860 feet from the West line (Unit M) of said Section 3. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said area is located approximately 2 miles southeast by south of Monument, New Mexico.

CASE 11893: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described area in Section 16, Township 19 South, Range 33 East, and in the following manner: the E/2 to form 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 Tonto-Atoka Gas Pool and the Undesignated Gem-Morrow Gas Pool; 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 S/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any identifiable pools within said vertical extent that includes 80-acre spacing in the special rules and regulations adopted for said pool; and, the SW/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, which presently includes but is not necessarily limited to the Undesignated Tonto-Seven Rivers Pool, Undesignated Buffalo-Seven Rivers Pool, Undesignated East Gem-Delaware Pool, Undesignated Tonto-Bone Spring Pool, Undesignated Tonto-Wolfcamp Pool, Undesignated North Gem-Wolfcamp Pool, and Undesignated South Buffalo-Pennsylvanian Pool. Said units are to be dedicated to a single well to be drilled 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 16, which is considered to be an unorthodox gas well location for the proposed 320-acre unit but standard for all other horizons. 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 the risk involved in drilling said well. Said area is located approximately 14.5 miles south-southeast of Maljamar, New Mexico.

CASE 11876: (Continued from November 6, 1997, Examiner Hearing.)

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 "11" 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 11877: (Continued from November 6, 1997, Examiner Hearing - This Case will be Continued to the January 8, 1998, Examiner Hearing.)

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 Carrero "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 11883: (Continued from November 20, 1997, Examiner Hearing.)

Application of Marathon Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 3500 feet (the base of the San Andres formation) to 11,152 feet (the base of the Morrow formation) underlying Lots 1-4, S/2 N/2 (N/2 equivalent) of Irregular Section 4, Township 19 South, Range 28 East, forming a standard 322.32-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 North Turkey Track-Morrow Gas Pool, and forming a standard 161.04-acre gas spacing and proration unit underlying Lots 1 and 2 and S/2 NE/4 (NE/4 equivalent) of said Section 4 for any and all formations/pools developed on 160-acre gas spacing, and forming a standard 40-acre oil spacing and proration unit underlying the SW/4 NE/4 of said Section 4 for any and all formations/pools developed on 40-acre oil spacing. Said unit is to be dedicated to its Courtman "4" State Well No. 1 to be drilled and completed at a standard gas well location in Unit G of said Section 4. 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 unit is located approximately 9 miles southwest of Loco Hills, New Mexico.

CASE 11884: (Continued from November 20, 1997, Examiner Hearing.)

Application of Marathon Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 3500 feet (the base of the San Andres formation) to 11,152 feet (the base of the Morrow formation) underlying the S/2 of Section 4, Township 19 South, Range 28 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 North Turkey Track-Morrow Gas Pool, and forming a standard 160-acre gas spacing and proration unit underlying the SW/4 of said Section 4 for any and all formations/pools developed on 160-acre gas spacing, and forming a standard 40-acre oil spacing and proration unit underlying the NE/4 SW/4 of said Section 4 for any and all formations/pools developed on 40-acre oil spacing. Said unit is to be dedicated to its Mitchusson "4" State Well No. 1 to be drilled and completed at a standard gas well location in Unit K of said Section 4. 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 unit is located approximately 9 miles southwest of Loco Hills, New Mexico.

CASE 11885: (Continued from November 20, 1997, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation, for all formations developed on 320-acre spacing in the N/2, all formations developed on 160-acre spacing in the NW/4 including the South Salt Lake Morrow Gas Pool and all formations developed on 40-acre spacing in the NE/4 NW/4 of Section 34, Township 20 South, Range 33 East. Said unit is to be dedicated to its Tomahawk "34" Federal Com Well No. 1 to be drilled at a standard location 660 feet from the North line and 1650 feet from the West line of said Section 34 to test all formations from the surface to the base of the Morrow formation. 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 5 miles southeast of Halfway, New Mexico.

CASE 11894: **Application of Chesapeake Operating, Inc. for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks approval to drill its Salbar "16" Well No. 1 at an unorthodox oil well location within a standard 40-acre oil spacing and proration unit comprising the SW/4 NW/4 (Unit E) of Section 16, Township 16 South, Range 36 East (located approximately 1.5 miles southwest of the intersection of U.S. Highway 82 and New Mexico State Highway No. 18) 2456 feet from the North line and 1028 feet from the West line (Unit E) of said Section 16 for any and all formations and/or pools developed on statewide 40-acre spacing, which presently includes, but is not necessarily limited to the Undesignated Diamond-Strawn Pool and Undesignated West Lovington-Pennsylvanian Pool.

CASE 11869: (Continued from November 20, 1997, Examiner Hearing.)

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 11811: (Continued from October 9, 1997, Examiner Hearing.)

Application of the Oil Conservation Division for an order requiring Hanson Energy to plug seventeen (17) wells in Eddy County, New Mexico. In the matter of the hearing called by the Oil Conservation Division ("Division") to permit the operator, Hanson Energy, Gulf Insurance Company, and all other interested parties to appear and show cause why seventeen (17) wells located in Township 18 South, Range 28 East and Township 17 South, Ranges 27 and 28 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug said wells, the Division seeks an order (i) authorizing the Division to plug said wells, (ii) declaring forfeiture of the plugging bond, if any, covering said wells, and (iii) authorizing the Division to recover from the operator the costs of plugging the wells in excess of the amount of the bond. Said wells are located approximately 10 miles south-southeast of Artesia, New Mexico.

DOCKET: COMMISSION HEARING - THURSDAY - DECEMBER 11, 1997

9:00 A.M. - 2040 SOUTH PACHECO - SANTA FE, NEW MEXICO

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

CASE 11844: (De Novo)

Application of Chesapeake Operating, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks approval to drill its proposed Gandy "19" Well No. 1 at an unorthodox oil well location 2523 feet from the North line and 2370 feet from the East line (Unit G) of Section 19, Township 16 South, Range 36 East, to the base of the Strawn formation, said location being unorthodox for any and all oil producing formations, and if productive, to be dedicated to a standard 40-acre oil spacing and proration unit consisting of the SW/4 NE/4 of said Section 19. Said location is located approximately 3 ½ miles southwest of Lovington, New Mexico. Upon application of Marathon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11838: (De Novo)

Application of Premier Oil & Gas, Inc. to have a wellbore of its included in the Avalon (Delaware) Unit operated by Exxon Company USA, Eddy County, New Mexico. Applicant seeks to include its FV-1 Well located 1980 feet from the North line and 990 feet from the East line (Unit H) of Section 25, Township 20 South, Range 27 East, as a unit wellbore in the Avalon (Delaware) Unit, including but not limited to amending Exhibit H of the Unit Operating Agreement to include said wellbore and to qualify said wellbore a useable wellbore committed to its Avalon (Delaware) Unit prior to October 1, 1997. Said unit is located approximately 7 miles southeast of Lakewood, New Mexico. Upon application of Premier Oil & Gas, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

THIS HEARING WILL BE LIMITED TO ARGUMENTS REGARDING DISMISSAL OF THIS CASE AT THE DIVISION LEVEL.

CASE 11808: (De Novo)

Application of Burlington Resources Oil & Gas Company for compulsory pooling and a non-standard gas proration and spacing unit, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests, including working interests, royalty interests and overriding royalty interests, below the base of the Dakota formation (base of the Cretaceous aged formation) to the top of the Pre-Cambrian aged formation underlying all of Irregular Section 9, Township 31 North, Range 10 West, forming a non-standard 636.01-acre gas spacing and proration unit for any formations and/or pools developed on 640-acre gas spacing within said vertical extent. Said unit is to be dedicated to its Scott Well No. 24 to be drilled at a standard gas well location 1535 feet from the North line and 2500 feet from the West line (Unit F) of said Section 9. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 2 ½ miles southeast of Cedar Hills, New Mexico. Upon the application of Total Minatone Corporation, Timothy B. Johnson, Trustee for Ralph A. Bard, Jr. Trust U/A/D February 12, 1983 et al., and Lee Wayne Moore and Joann Montgomery Moore, Trustees, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11809: (De Novo)

Application of Burlington Resources Oil & Gas Company for compulsory pooling, an unorthodox gas well location and a non-standard proration unit, San Juan County, New Mexico. Applicant seeks an order pooling all mineral owners, including working interests, royalty interests and overriding royalty interests below the base of the Dakota formation (base of the Cretaceous aged formation) to the top of the Pre-Cambrian aged formation underlying all of Irregular Section 8, Township 31 North, Range 10 West, forming a non-standard 639.78-acre gas spacing and proration unit for any formations and/or pools developed on 640-acre gas spacing within said vertical extent. Said unit is to be dedicated to its Marcotte Well No. 2 to be drilled at an unorthodox gas well location 1540 feet from the South line and 935 feet from the East line (Unit I) of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 2 ½ miles southeast of Cedar Hills, New Mexico. Upon the applications of Total Minatome Corporation, Timothy B. Johnson, Trustee for Ralph A. Bard, Jr. Trust U/A/D February 12, 1983 et al., Lee Wayne Moore and Joann Montgomery Moore, Trustees, and Bert Harris, this case will be heard De Novo pursuant to the provisions of Rule 1220.

THE FOLLOWING CASES ARE AWAITING FINAL COMMISSION ACTION:

CASE 11856: Application of Burlington Resources Oil & Gas Company to amend New Mexico Oil Conservation Division Rule 1105.C to expand and extend the confidentiality provisions of said rule.

CASE 11723: Application of Mewbourne Oil Company for an unorthodox gas well location and non-standard gas proration unit, Eddy County, New Mexico.

CASE 11755: 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.

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.