

**DOCKET: EXAMINER HEARING - THURSDAY - JULY 23, 1998**

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 21-98 and 22-98 are tentatively set for August 6 and August 20, 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 12010:** Application of Bass Enterprises Production Company for a non-standard subsurface oil well location/producing area, Lea County, New Mexico. Applicant, in accordance with Division Rules 104.F and 111.C.(2), seeks approval to recomplete its Monteith "C" Well No. 1 (API No. 30-025-34284), located at a standard surface oil well location 660 feet from the North line and 1830 feet from the East line (Unit B) of Section 13, Township 16 South, Range 36 East, by directionally drilling to a non-standard subsurface oil well location/producing area in the Northeast Lovington-Pennsylvanian Pool. The W/2 NE/4 of said Section 13 is to be dedicated to this well in order to form a standard 80-acre oil spacing and proration unit for Northeast Lovington-Pennsylvanian Pool oil production and the applicable drilling window or producing area within this 80-acre unit is to be no closer than 510 feet to the north, east, and south boundaries of the unit nor closer than 186 feet to the western boundary of the unit. This well location is approximately one mile southeast of the Lovington Country Club.

**CASE 12011:** Application of Strata Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the W/2 of Section 22, Township 22 South, Range 32 East. Applicant proposes to dedicate this spacing and proration unit to its Hill Federal Well No. 1 to be drilled at a standard location 1980 feet from the South and West lines (Unit K) of Section 22 to a depth sufficient to test any and all formations down to the base of the Morrow Formation. Also to be considered will be the cost of drilling and completing the 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 the well. Said units are located approximately 9 miles north-northeast of the intersection of Highway 128 and the border between Eddy and Lea Counties.

**CASE 12012:** Application of Ocean Energy, Inc. for special pool rules, Lea County, New Mexico. Applicant seeks the promulgation of Special Pool Rules for the North Echol-Devonian Pool, located in portions of Sections 21, 22, 27, and 28, Township 10 South, Range 37 East, including provisions for 80-acre spacing and special well location requirements. The area is centered approximately 11.5 miles southeast of Crossroads, New Mexico.

**CASE 11998:** (Readvertised)

Application of Costilla Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Chester series or formation underlying the following described acreage in Section 33, Township 16 South, Range 26 East, and in the following manner: The N/2 of Section 33 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the POW-Morrow Gas Pool and Undesignated P.O.W.-Strawn Gas Pool; the NW/4 of Section 33 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the SE/4 NW/4 of Section 33 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to its Funk "49" Well No.2, located at an orthodox location 1980 feet from the North line and 1680 feet from the West line (Unit F) of Section 33. Also to be considered will be the cost of drilling and completing the 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 the well. Said units are located approximately 3 miles north-northeast of Artesia, New Mexico.

**CASE 12013:** Application of Costilla Energy, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its Funk "49" Well No. 1 at an unorthodox Morrow gas well location 1650 feet from the South line and 1080 feet from the West line (Unit L) of Section 33, Township 16 South, Range 26 East, located approximately 2.5 miles north of the junction of U.S. Highways 285 and 82 in Artesia, New Mexico. The S/2 of said Section 33 is to be dedicated to said well in order to form a standard 320-acre gas spacing and proration unit in the POW-Morrow Gas Pool.

**CASE 12014:** Application of Louis Dreyfus Natural Gas Corp. 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 E/2 of Section 28, Township 19 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated North Pearl-Morrow Gas Pool. Said unit is to be dedicated to its Toro "28" State Com. Well No. 1, located at an orthodox location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 28. Also to be considered will be the cost of drilling and completing the 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 the well. This unit is located approximately 11 miles west of Monument, New Mexico.

**CASE 11999:** (Continued from June 25, 1998, Examiner Hearing.)

Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant seeks authority to downhole commingle Atoka, Morrow and Mississippian production within the wellbore of its existing Morton Unit Well No. 1 located 770 feet from the North line and 2150 feet from the East line (Unit B) of Section 5, Township 15 South, Range 35 East. This well is located approximately 7 miles southwest of Hagerman, New Mexico.

**CASE 11991:** (Continued from June 25, 1998, Examiner Hearing.)

**Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico.** Applicant seeks authority to downhole commingle Undesignated Kennedy Farms-Upper Pennsylvanian, Undesignated Kennedy Farms-Atoka and Kennedy Farms-Morrow Pool production within its Martin "ARH" Well No. 1 located 1980 feet from the South and East lines (Unit J) of Section 27, Township 17 South, Range 26 East. This well is located approximately 3 miles southeast of Artesia, New Mexico.

**CASE 12015:** **Application of Gruy Petroleum Management for an unorthodox well location and simultaneous dedication, Lea County, New Mexico.** Applicant seeks an exception to Oil Conservation Division Rule 104.C.(2) to authorize an unorthodox gas well location for the Rhodes Federal Unit Well No. 43 at a point 2310 feet from the South line and 990 feet from the West line (Unit L) of Section 4, Township 26 South, Range 37 East, and authorization to simultaneously dedicate this well and its Rhodes Federal Unit Wells 43 and 415 to a standard gas spacing unit comprised of the SW/4 of Section 4 in the Rhodes-Yates-Seven Rivers Gas Pool. Said wells are located approximately 3 miles south-southeast of Jal, New Mexico.

**CASE 12016:** **Application of Penwell Energy, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all formations developed on 320-acre spacing underlying the W/2, in all formations developed on 160-acre spacing in the NW/4, in all formations developed on 40-acre spacing from the surface to the base of the Morrow formation in the SW/4 NW/4 of Section 33, Township 19 South, Range 29 East. Applicant proposes to dedicate this acreage to its Millman SE 33 Fed. Com. Well No. 1 to be drilled at a standard location 2310 feet from the North line and 660 feet from the West line (Unit E) of Section 33. Also to be considered will be the cost of drilling and completing the 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 the well. This area is located approximately 15 miles northeast of Carlsbad, New Mexico.

**CASE 12017:** **Application of Gruy Petroleum Management for an unorthodox well location and simultaneous dedication, Lea County, New Mexico.** Applicant seeks an exception to Oil Conservation Division Rule 104.C.(2) to authorize an unorthodox gas well location for the Rhodes State Com. Well No. 5 at a point 330 feet from the North line and 2310 feet from the West line (Unit C) of Section 16, Township 26 South, Range 37 East, and authorization to simultaneously dedicate that well and its Rhodes State Com. Wells 18 and 19 to a standard gas spacing unit comprised of the NW/4 of Section 16 in the Rhodes-Yates-Seven Rivers Gas Pool. These wells are located approximately 5 miles south-southeast of Jal, New Mexico.

**CASE 12018:** **Application of Bahlburg Exploration Inc. for compulsory pooling and directional drilling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation, Northeast Lovington Pennsylvanian Pool, underlying the N/2 NW/4 of Section 10, Township 16 South, Range 36 East, for all formations developed on 80-acre spacing. Applicant proposes to dedicate this spacing unit to its City of Lovington 10 Well No. 1 to be directionally drilled from a surface location 215 feet from the South line and 2435 feet from the East line (Unit O) of Section 3, Township 16 South, Range 36 East, to a standard bottomhole location in the Strawn formation within 50 feet of a point 510 feet from the North line and 1830 feet from the West line (Unit C) of Section 10. Also to be considered will be the cost of drilling and completing the 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 the well. The area is located in the City of Lovington, New Mexico.

**CASE 12019:** In the matter of the hearing called by the Oil Conservation Division 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 Southeast Indian Basin-Strawn Gas Pool. The discovery well is the Hallwood Petroleum, Inc. Catclaw Draw Unit Well No. 12 located in Unit N of Section 24, Township 21 South, Range 25 East, NMPM. Said pool would comprise:

**TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM**

Section 24: S/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Glorieta and Yeso production and designated as the Northeast Red Lake-Glorieta-Yeso Pool. The discovery well is the Arco Permian Red Lake "3" Federal Well No. 1 located in Unit F of Section 3, Township 18 South, Range 27 East, NMPM. Said pool would comprise:

**TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM**

Section 3: NW/4

- (c) EXTEND the Avalon-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

**TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM**

Section 9: SW/4

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 10: E/2

- (e) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 3: S/2

Section 4: S/2

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

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 5: NW/4

Section 6: NE/4

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 2: NE/4

- (h) EXTEND the South Livingston Ridge-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 1: NW/4

Section 12: SE/4

- (i) EXTEND the Logan Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 15: W/2

Section 22: NW/4

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 32: NW/4

- (k) EXTEND the Nimenim Ridge-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 33: S/2

- (l) EXTEND the Rustler Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM

Section 8: S/2

- (m) EXTEND the Sand Tank-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 31: W/2

- (n) EXTEND the Travis-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 4: NE/4

- (o) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 27 EAST, NMPM

Section 7: All

NOTICE

**DOCKET: SPECIAL EXAMINER HEARING - TUESDAY - JULY 28, 1998**

**8:15 A.M. - 2040 South Pacheco  
Santa Fe, New Mexico**

**CASE 11996:** (Continued from July 9, 1998, Examiner Hearing.)

Application of Pendragon Energy Partners, Inc. and J. K. Edwards Associates, Inc. to confirm production from the appropriate common source of supply, San Juan County, New Mexico. The applicants, pursuant to Rule 3 of the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," as promulgated by Division Order No. R-8768, as amended, seeks an order confirming that the following described wells completed within the vertical limits of the WAW-Fruitland Sand-Pictured Cliffs Pool and the Basin-Fruitland Coal (Gas) Pool are producing from the appropriate common source of supply and providing further relief as the Division deems necessary: (i) the Pendragon Energy Partners, Inc. operated Chaco Well Nos. 1, 2-R, 4, and 5 and Chaco Ltd. Well Nos. 1-J and 2-J located in Sections 7 and 18, Township 26 North, Range 12 West and Section 1, Township 26 North, Range 13 West, and (ii) the Whiting Petroleum Corporation operated Gallegos Federal "26-12-6" Well No. 2, Gallegos Federal "26-12-7" Well No. 1, Gallegos Federal "26-13-" Well Nos. 1 and 2, and Gallegos Federal "26-13-12" Well No. 1 located in Sections 6 and 7, Township 26 North, Range 12 West and Sections 1 and 12, Township 26 North, Range 13 West. The area in which these wells are located is approximately 15 miles south-southeast of Farmington, New Mexico.

**DOCKET: EXAMINER HEARING - THURSDAY - JULY 9, 1998**

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 20-98 and 21-98 are tentatively set for July 23 and August 6, 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 11588:** (Continued from June 25, 1998, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation for compulsory pooling, San Juan County, New Mexico. The applicant seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of Section 5, Township 29 North, Range 11 West, thereby forming a standard 293.68-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its proposed Fifield Com Well No. 1-E (API No. 30-045-29517) to be drilled at a standard gas well location in the NW/4 equivalent of said Section 5. 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 unit and a charge for risk involved in drilling said well. Said unit area is located approximately 4 miles south of Aztec, New Mexico.

**CASE 11997:** Application of Merrion Oil & Gas Corporation for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin Fruitland Coal Gas Pool underlying the S/2 of Section 10, Township 26 North, Range 12 West. Applicant proposes to dedicate this pooled unit to its Hickman "A" Well No. 3 to be drilled at a standard location in the SW/4 SW/4 of Section 10. Also to be considered will be the cost of drilling and completing the 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 the well. The area is located approximately 20 miles northwest of Nageezi, New Mexico.

**CASE 11998:** Application of Costilla Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Chester series or formation underlying the following described acreage in Section 33, Township 16 South, Range 26 East, and in the following manner: The N/2 of Section 33 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the POW-Morrow Gas Pool and Undesignated P.O.W.-Strawn Gas Pool; the NW/4 of Section 33 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the SE/4 NW/4 of Section 33 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to its Funk "45" Well No.2, located at an orthodox location 1980 feet from the South line and 1680 feet from the West line (Unit K) of Section 33. Also to be considered will be the cost of drilling and completing the 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 the well. Said units are located approximately 3 miles north-northeast of Artesia, New Mexico.

**CASE 11999:** Application of Costilla Energy, Inc. 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 Chester series or formation underlying the following described acreage in Section 33, Township 16 South, Range 26 East, and in the following manner: The S/2 of Section 33 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the POW-Morrow Gas Pool, Undesignated Diamond Mound-Atoka Gas Pool, and Undesignated P.O.W.-Strawn Gas Pool; the SW/4 of Section 33 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the NW/4 SW/4 of Section 33 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to its Funk "49" Well No.1 to be located at an unorthodox location 1650 feet from the South line and 1080 feet from the West line (Unit L) of Section 33. Also to be considered will be the cost of drilling and completing the 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 the well. The units are located approximately 2.5 miles north-northeast of Artesia, New Mexico.

**CASE 11906:** (Continued from June 11, 1998, 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 Cisco/Canyon formation underlying the following described acreage in Section 5, Township 20 South, Range 25 East and in the following manner: Lots 1, 2 and the S/2 NE/4 (the NE/4) to form a standard 160.45-acre oil spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent, including the Undesignated North Dagger Draw-Upper Pennsylvanian Pool; and the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools spaced on 40-acres within said vertical extent, including the Undesignated Seven Rivers-Yeso Pool. Said units are to be dedicated to its S.P. Johnson Com Well No. 2, located 1650 feet from the North line and 1980 feet from the East line (Unit G) of said Section 5. 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 4.5 miles west north-west of Seven Rivers, New Mexico.

**CASE 11986:** (Continued from June 11, 1998, Examiner Hearing.)

**Application of Saba Energy of Texas, Incorporated for pool creation and special pool rules, Lea County, New Mexico.** Applicant seeks the creation of a new pool for the production of hydrocarbons from the Upper Pennsylvanian formation that is comprised of the E/2 NE/4 and the E/2 SE/4 of Section 7, Township 13 South, Range 36 East, as the result of the discovery of oil in its Saba State Well No. 1 located in Unit I of said Section 7 and the promulgation of Special Pool Rules for this new pool including provisions for 80-acre spacing and special well location requirements. Said area is located approximately 2 miles south-southwest of Tatum, New Mexico.

**CASE 12000:** **Application of Marbob Energy Corporation for pool contraction, pool creation, special pool rules and a non-standard spacing and proration unit, Lea County, New Mexico.** Applicant seeks the creation of a new pool for the production of hydrocarbons from the Devonian formation to include the W/2 SE/4 and the E/2 SW/4 of Section 31, Township 9 South, Range 37 East. Applicant also seeks the promulgation of special rules and regulations for this new pool including provisions for 160-acre spacing and special well location requirements and the approval of a non-standard spacing and proration unit comprised of the W/2 SE/4 and the E/2 SW/4 of Section 31. This area is located approximately 8.5 miles east of Crossroads, New Mexico.

**CASE 12001:** **Application of Petroleum Development Corporation for a unit agreement, Lea County, New Mexico.** Applicant seeks approval of the T.P. "A" State Unit Agreement for an area comprising 160 acres of State lands in portions of Sections 15 and 16, Township 10 South, Range 36 East, which is located approximately 13 miles north-northeast of Tatum, New Mexico.

**CASE 11993:** (Continued from June 25, 1998, Examiner Hearing.)

**Application of John H. Hendrix Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations from the top of the Abo formation (approximately 7,000 feet) to the base of the Strawn formation developed on 40-acre spacing underlying the NE/4 NW/4, and in all formations developed on 80-acre spacing underlying the E/2 NW/4, including the Cass-Pennsylvanian Pool, of Section 16, Township 20 South, Range 37 East. The unit is to be dedicated to its Wood State Well No. 4 which will be drilled at a standard location 660 feet from the North line and 2310 feet from the West line (Unit C) of Section 16. Also to be considered will be the cost of drilling and completing the 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 the well. This area is located approximately 3 miles southeast of Monument, New Mexico.

**CASE 11994:** (Continued from June 25, 1998, Examiner Hearing.)

**Application of David H. Arrington Oil and Gas, 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, Townsend-Morrow Gas Pool, underlying Lots 9 through 16 for all formations developed on 320-acre spacing, Lots 11 through 14 for all formations developed on 160-acre spacing, Lots 13 and 14 for all formations developed on 80-acre spacing and Lot 14 for all formations developed on 40-acre spacing, all in Section 3, Township 16 South, Range 35 East. Applicant proposes to dedicate these pooled units to its Parachute Hopper Well No. 1 to be drilled at a standard gas well location 3510 feet from the South line and 1650 feet from the West line of Section 3. Also to be considered will be the cost of drilling and completing the 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 the well. This area is located approximately 5 miles west of Lovington, New Mexico.

**CASE 12002:** **Application of Scott E. Wilson and Richard K. Barr d/b/a Wilson & Barr Oil & Gas Exploration for an unorthodox well location, Eddy County, New Mexico.** Applicant seeks authorization to drill a well to the Morrow formation, Undesignated Little Box Canyon-Morrow Gas Pool, at an unorthodox well location 850 feet from the North line and 300 feet from the West line of Section 31, Township 20 1/2 South, Range 22 East. All of irregular Section 31 is to be dedicated to the well. The unit is located approximately 20 miles south of Hope, New Mexico.

**CASE 12003:** **Application of Manzano Oil Corporation for special pool rules, Lea County, New Mexico.** Applicant seeks the promulgation of special pool rules and regulations for the Featherstone - Bone Spring Pool comprised of portions of Sections 20 and 21 of Township 20 South, Range 35 East, including provisions for 80-acre spacing and special well location requirements. The area is located approximately 9 miles west-southwest of Monument, New Mexico.

**CASE 12004:** **Application of Stevens & Tull, Inc. for a non-standard subsurface gas well location/producing area and a non-standard gas proration unit, Eddy County, New Mexico.** Applicant, in accordance with Division General Rules 104.F and 111(C)2, seeks approval for a non-standard subsurface gas well location/producing area to be applicable to any and all formations and/or pools developed on 320-acre spacing from the surface to the base of the Morrow formation, which presently includes but is not necessarily limited to the Undesignated Indian Loafer Draw-Upper Pennsylvanian Gas Pool, Undesignated Little Box Canyon-Strawn Gas Pool, Undesignated Little Box Canyon-Atoka Gas Pool, and Undesignated Little Box Canyon-Morrow Gas Pool, for its proposed Sweet Thing Federal Unit Well No. 2 to be drilled from a surface location 660 feet from the North and West lines (Lot 5/Unit M) of irregular Section 31, Township 20-1/2 South, Range 22 East to a proposed bottomhole location that is to be no closer than 660 feet to the North line of said Section 31 nor closer than 435 feet to the West line of said Section 31. Further, all of said irregular Section 31, comprising an area of 233.79 acres, is to be dedicated to said well. This unit is located approximately 20 miles south of Hope, New Mexico.

**CASE 12095:** Application of Enron Oil & Gas Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all formations developed on 320-acre spacing underlying the W/2, including but not limited to the Grayburg-Morrow Gas Pool, in all formations developed on 160-acre spacing in the NW/4, in all formations developed on 80-acre spacing in the E/2 NW/4, and in all formations developed on 40-acre spacing from the surface to the base of the Chester formation in the SE/4 NW/4 of Section 2, Township 18 South, Range 29 East. Applicant proposes to dedicate this acreage to its STW "2" State Com Well No. 1 to be drilled at a standard location 1650 feet from the North and West lines (Unit F) of Section 2. Also to be considered will be the cost of drilling and completing the 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 the well. The area is located approximately 4 miles southwest of Loco Hills, New Mexico.

**CASE 11934:** (Continued from June 11, 1998, 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 in all formations developed on 320-acre spacing in the S/2, in all formations developed on 160-acre spacing in the SE/4, in all formations developed on 80-acre spacing in the W/2 SE/4, and in all formations developed on 40-acre spacing in the SW/4 SE/4 of Section 23, Township 18 South, Range 24 East. Said units are to be dedicated to its Poco Mesa "23" State Com Well No. 1 to be drilled at a standard location 660 feet from the South line and 1650 feet from the East line of said Section 23 to a depth sufficient to test all formations from the surface to the base of the Morrow formation, Penasco Draw-Morrow Gas Pool. 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 southwest of Artesia, New Mexico.

**CASE 11985:** (Continued from June 11, 1998, Examiner Hearing.)

Application of Saga Petroleum, L.L.C., for an unorthodox well location, Eddy County, New Mexico. Applicant seeks authorization to drill its Dero Federal Well No. 3 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 35, Township 19 South, Range 28 East, to test all pools developed on 320-acre spacing including the Winchester-Morrow Gas Pool, the Undesignated Winchester-Atoka Gas Pool, the Winchester-Strawn Gas Pool, the Undesignated Winchester-Upper Pennsylvanian Gas Pool, and the Undesignated Winchester-Wolfcamp Pool. The S/2 of said Section 35 is to be dedicated to said well forming a standard 320-acre spacing and proration unit. Said unit is located approximately 13 miles east of Lakewood, New Mexico.

**CASE 12006:** Application of Marathon Oil Company, Yates Petroleum Corporation, Oryx Energy Company, Devon Energy Corporation (Nevada), and Santa Fe Energy Resources, Inc. for the expansion of the Indian Basin-Upper Pennsylvanian Associated Pool and the Contraction of the Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico. Applicants seek an order expanding the Indian Basin-Upper Pennsylvanian Associated Pool to include the E/2 of Section 36, Township 21 South, Range 23 East; Sections 20, 21, 38, 29, 30, 31, and 32, Township 21 South, Range 24 East; the E/2 of Section 1, the E/2 of Section 12, and the E/2 of Section 13, Township 22 South, Range 23 East; and Section 18, Township 22 South, Range 24 East, and the corresponding contraction of the Indian Basin-Upper Pennsylvanian Gas Pool to delete any conflicting acreage from that pool. Applicants also seek approval for the following four non-standard 320-acre gas proration and spacing units for the Indian Basin-Upper Pennsylvanian Gas Pool: (i) the W/2 of Section 36, Township 21 South, Range 23 East to be dedicated to the Lowe State Gas Com Well No. 1, (ii) the W/2 of Section 1, Township 22 South, Range 23 East on which there is currently no well; (iii) the W/2 of Section 12, Township 22 South, Range 23 East to be dedicated to the Smith Federal Gas Con Well No. 2; (iv) and the W/2 of Section 13, Township 22 South, Range 23 East to be dedicated to the HOC Federal Gas Con Well No. 2. Applicants further seek the approval of an unorthodox gas well location for the Lowe State Gas Com Well No. 1 located 1995 feet from the North line and 1712 feet from the West line of Section 36, Township 21 South, Range 23 East. This acreage is located approximately 12 miles southwest of Seven Rivers, New Mexico.

**CASE 11980:** (Continued from June 11, 1998, Examiner Hearing.)

Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an exception to Division Rule 104 to permit it to re-enter the Cities Service Little Box Canyon Well No. 4 which is located at a standard surface location 1980 feet from the North line and 1650 feet from the East line and to directionally drill it to an unorthodox bottomhole location at a point in the top of the Morrow "C" formation of the Little Box Canyon-Morrow Gas Pool being a point not closer than 990 feet from the North line or 660 feet from the East line (Unit A) of Section 12, Township 21 South, Range 21 East, to be dedicated to a 320-acre gas spacing unit consisting of the N/2 of said Section 12, said location being unorthodox for any and all gas production from any and all formations/pools spaced on 320 acres including but not limited to the Little Box Canyon-Morrow Gas Pool. Said location is located approximately 30 miles west-northwest of Carlsbad, New Mexico.

**CASE 11976:** (Continued from June 11, 1998, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in Lots 1, 2, 7, 8, 9, 10, 15 and 16, containing 319.97 acres, more or less, for all formations developed on 320-acre spacing, including but not limited to the Hat Mesa-Morrow Gas Pool; in Lots 9, 10, 15, and 16 for all formations developed on 160-acre spacing; in Lots 15 and 16 for all formations developed on 80-acre spacing; and in Lot 16 for all formations developed on 40-acre spacing, of Section 2, Township 21 South, Range 32 East. Said units are to be dedicated to its Minis "2" Federal Well No. 1 to be drilled to the Morrow formation at an unorthodox location 3630 feet from the South line (990 feet from the South line of the dedicated stand-up spacing unit) and 660 feet from the East line of said Section 2. 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 12007:** Application of Chesapeake Operating Inc. For compulsory pooling and directional drilling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation, underlying the following described acreage in Section 10, Township 16 South, Range 36 East, and in the following manner: (a) the E/2 NW/4 to form a standard 80-acre oil spacing and proration unit for any pools developed on 80-acre spacing within said vertical extent, which presently includes the Undesignated North Lovington-Wolfcamp Pool and the Undesignated Northeast Lovington-Pennsylvanian Pool; and, (b) the SE/4 NW/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. The units are to be dedicated to its proposed Warehouse "10" Well No. 1 which applicant seeks to drill as a directional wellbore from a surface location 1172 feet from the North line and 2445 feet from the East line (Unit B) of Section 10 to an approximate bottomhole location within the Strawn interval 1438 feet from the North line and 1856 feet from the West line (Unit F) of said Section 10. 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 the well. The well location is approximately one-half mile south of the Lea County Fair Grounds in Lovington, New Mexico.

**CASE 11981:** (Continued from June 11, 1998, Examiner Hearing.)

Application of Devon Energy Corporation (Nevada) for lease commingling, Eddy County, New Mexico. Applicant seeks an exception to Division Rule 309 to permit lease commingling of Red Lake Queen-Grayburg-San Andres Pool production from 32 wells drilled or to be drilled on its Federal Leases LC 069274, LC 026874-B, LC 060894, LC 0026874-F, and 049648-B, covering parts of Section 31, Township 17 South, Range 27 East, and Sections 5 and 6, Township 18 South, Range 27 East, without separately metering production from each well or lease. Said leases are located approximately 6.5 miles southeast of Artesia, New Mexico.

**CASE 12008:** Application of Robert E. Landreth for a determination of reasonable well costs, Lea County, New Mexico Applicant, as a mineral interest owner in the standard 320-acre gas spacing and proration unit comprising the S/2 of Section 29, Township 22 South, Range 34 East, seeks an order ascertaining the reasonableness of actual well costs for: (i) the Santa Fe Energy Resources, Inc. Gaucho Unit Well No. 2-Y (API No. 30-025-34026), located 1650 feet from the South line and 1725 feet from the West line (Unit K) of Section 29; and (ii) the plugged and abandoned Gaucho Unit Well No. 2 (API No. 30-025-33682), located 1650 feet from the South and West lines (Unit K) of Section 29. This 320-acre unit was the subject of compulsory pooling Order No. R-10764, dated February 14, 1997. This area is located approximately 20 miles west by south of Eunice, New Mexico.

**CASE 11996:** (Continued from June 25, 1998, Examiner Hearing.)

Application of Pendragon Energy Partners, Inc. and J. K. Edwards Associates, Inc. to confirm production from the appropriate common source of supply, San Juan County, New Mexico. The applicants, pursuant to Rule 3 of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended, seeks an order confirming that the following described wells completed within the vertical limits of the WAW-Fruitland Sand-Pictured Cliffs Pool and the Basin-Fruitland Coal (Gas) Pool are producing from the appropriate common source of supply and providing further relief as the Division deems necessary: (i) the Pendragon Energy Partners, Inc. operated Chaco Well Nos. 1, 2-R, 4, and 5 and Chaco Ltd. Well Nos. 1-J and 2-J located in Sections 7 and 18, Township 26 North, Range 12 West and Section 1, Township 26 North, Range 13 West, and (ii) the Whiting Petroleum Corporation operated Gallegos Federal "26-12-6" Well No. 2, Gallegos Federal "26-12-7" Well No. 1, Gallegos Federal "26-13-" Well Nos. 1 and 2, and Gallegos Federal "26-13-12" Well No. 1 located in Sections 6 and 7, Township 26 North, Range 12 West and Sections 1 and 12, Township 26 North, Range 13 West. The area in which these wells are located is approximately 15 miles south-southeast of Farmington, New Mexico.

**CASE 12009:** In the matter of the hearing called by the Oil Conservation Division 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 Delaware production and designated as the Cottonwood Draw-Delaware Gas Pool. The discovery well is the Chevron U.S.A., Inc. Cable 26 Well No. 2 located in Unit B of Section 26, Township 25 South, Range 26 East, NMPM. Said pool would comprise:

**TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM**  
Section 26: NE/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the South Indian Basin-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation Hickory "AVL" Federal Well No. 5 located in Unit H of Section 18, Township 22 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM

Section 18: E/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Cisco production and designated as the Southwest Indian Basin-Upper Pennsylvanian Gas Pool. The discovery well is the Yates Petroleum Corporation Big Freddy Unit Well No. 1 located in Unit G of Section 10, Township 23 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 22 EAST, NMPM

Section 10: E/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Laguna Salado-Bone Spring Pool. The discovery well is the Santa Fe Energy Resources, Inc. Spud "16" State Well No. 1 located in Unit P of Section 16, Township 23 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM

Section 16: SE/4

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Devonian production and designated as the Northwest Paduca-Devonian Gas Pool. The discovery well is the Texaco Exploration and Production Inc. Cotton Draw Unit Well No. 84 located in Unit I of Section 2, Township 25 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 31 EAST, NMPM

Section 2: E/2

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 15: All

- (g) EXTEND the Avalon-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 17: SE/4

Section 20: E/2

- (h) EXTEND the Black River-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM

Section 15: N/2

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 11: S/2

- (j) EXTEND the Cabin Lake-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM

Section 6: SW/4

Section 7: NW/4 and S/2

- (k) EXTEND the South Carlsbad-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 2: N/2

- (l) EXTEND the Catclaw Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM

Section 22: NW/4

(m)EXTEND the East Catclaw Draw-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM  
Section 17: W/2

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

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 27: E/2  
Section 34: NE/4

(o) EXTEND the Cemetery-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM  
Section 23: E/2  
Section 26: E/2

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 11: SE/4

(q) 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 27: E/2

(r) EXTEND the Empire-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 24: S/2

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 19: SW/4  
Section 30: NW/4

(s) EXTEND the East Empire-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 27: NW/4  
Section 28: N/2  
Section 29: NE/4

(t) EXTEND the Frontier Hills-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM  
Section 27: N/2

(u) EXTEND the Golden Lane-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM  
Section 16: E/2

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

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 18: S/2  
Section 19: W/2  
Section 30: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM  
Section 10: NE/4

(x) EXTEND the South Livingston Ridge-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 12: NE/4

(y) EXTEND the Loco Hills-Paddock Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 17: S/2

Section 20: SE/4

Section 21: NE/4

(z) EXTEND the Nash Draw-Brushy Canyon Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM

Section 13: SW/4

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM

Section 19: NE/4

Section 20: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 13: W/2

(bb)EXTEND the East Pierce Crossing-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 11: SE/4

(cc)EXTEND the Southeast Quahada Ridge-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM

Section 25: SE/4

(dd)EXTEND the Red Lake-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 32: SE/4

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 18: NE/4

(ee)EXTEND the Ross Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM

Section 23: N/2

(ff)EXTEND the Sand Tank-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 25: All

(gg)EXTEND the Sand Tank-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 8: E/2

(hh)EXTEND the Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 9: S/2

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

**DOCKET: EXAMINER HEARING - THURSDAY - JUNE 25, 1998**

8:15 A.M. - 2040 South Pacheco  
Santa Fe, New Mexico

Dockets Nos. 18-98 and 19-98 are tentatively set for July 9 and July 23, 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 11988:** Application of Merrion Oil & Gas Corporation for compulsory pooling, San Juan County, New Mexico. The applicant seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of Section 5, Township 29 North, Range 11 West, thereby forming a standard 293.68-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its proposed Fifield Com Well No. 1-E (API No. 30-045-29517) to be drilled at a standard gas well location in the NW/4 equivalent of said Section 5. 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 area is located approximately 4 miles south of Aztec, New Mexico.
- CASE 11989:** Application of Burlington Resources Oil & Gas Company for approval of four non-standard gas spacing and proration units, San Juan County, New Mexico. Applicant seeks approval of four non-standard gas spacing and proration units within the Allison Unit to be dedicated to any production from the Blanco Mesaverde Gas Pool, said units to be configured from Section 12, Township 32 North, Range 7 West, and Sections 7 and 8, Township 32 North, Range 6 West. These units are made necessary as a result of variations in the legal subdivision of the United States Public Land Survey and are identical to the non-standard gas spacing and proration units which have been approved for the Basin Dakota Gas Pool. The units are located approximately 3 miles east of the intersection of New Mexico State Highway 511 and the border between the States of New Mexico and Colorado. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**
- CASE 11990:** Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant seeks authority to downhole commingle Atoka, Morrow and Mississippian production within the wellbore of its existing Morton Unit Well No. 1 located 770 feet from the North line and 2150 feet from the East line (Unit B) of Section 5, Township 15 South, Range 35 East. This well is located approximately 7 miles southwest of Hagerman, New Mexico.
- CASE 11991:** Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant seeks authority to downhole commingle Undesignated Kennedy Farms-Upper Pennsylvanian, Undesignated Kennedy Farms-Atoka and Kennedy Farms-Morrow Pool production within its Martin "ARH" Well No. 1 located 1980 feet from the South and East lines (Unit J) of Section 27, Township 17 South, Range 26 East. This well is located approximately 3 miles southeast of Artesia, New Mexico.
- CASE 11992:** Application of Penwell Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the SE/4 SW/4 for all formations developed on 40-acre spacing in Section 19, Township 18 South, Range 31 East. Applicant proposes to dedicate this pooled unit to its West Shugart-Wolfcamp "19" Federal Well No. 1 to be drilled at a standard location in the SE/4 SW/4 of said Section 19 to test any and all formations from the surface to the base of the Wolfcamp formation, West Shugart-Wolfcamp Pool. Also to be considered will be cost and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. Said area is located approximately 9 miles southwest of Maljamar, New Mexico.
- CASE 11993:** Application of John H. Hendrix Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the top of the Abo formation (approximately 7,000 feet) to the base of the Strawn formation developed on 40-acre spacing underlying the NE/4 NW/4, and in all formations developed on 80-acre spacing underlying the E/2 NW/4, including the Cass-Pennsylvanian Pool, of Section 16, Township 20 South, Range 37 East. The unit is to be dedicated to its Wood State Well No. 4 which will be drilled at a standard location 660 feet from the North line and 2310 feet from the West line (Unit C) of Section 16. Also to be considered will be the cost of drilling and completing the 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 the well. This area is located approximately 3 miles southeast of Monument, New Mexico.
- CASE 11994:** Application of David H. Arrington Oil and Gas, 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, Townsend-Morrow Gas Pool, underlying Lots 9 through 16 for all formations developed on 320-acre spacing, Lots 11 through 14 for all formations developed on 160-acre spacing, Lots 13 and 14 for all formations developed on 80-acre spacing and Lot 14 for all formations developed on 40-acre spacing, all in Section 3, Township 16 South, Range 35 East. Applicant proposes to dedicate these pooled units to its Parachute Hopper Well No. 1 to be drilled at a standard gas well location 3510 feet from the South line and 1650 feet from the West line of Section 3. Also to be considered will be the cost of drilling and completing the 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 the well. This area is located approximately 5 miles west of Lovington, New Mexico.
- CASE 11995:** Application of Wilson & Barr Oil & Gas Exploration for an unorthodox well location, Eddy County, New Mexico. Applicant seeks authorization to drill a well to the Morrow formation, Undesignated Little Box Canyon-Morrow Gas Pool, at an unorthodox well location 660 feet from the North line and 330 feet from the West line of Section 31, Township 20 1/2 South, Range 22 East. All of irregular Section 31 is to be dedicated to said well. Said unit is located approximately 20 miles south of Hope, New Mexico.

**CASE 11996:** Application of Pendragon Energy Partners, Inc. and J. K. Edwards Associates, Inc. to confirm production from the appropriate common source of supply, San Juan County, New Mexico. The applicants, pursuant to Rule 3 of the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool," as promulgated by Division Order No. R-8768, as amended, seeks an order confirming that the following described wells completed within the vertical limits of the WAW-Fruitland Sand-Pictured Cliffs Pool and the Basin-Fruitland Coal (Gas) Pool are producing from the appropriate common source of supply and providing further relief as the Division deems necessary: (i) the Pendragon Energy Partners, Inc. operated Chaco Well Nos. 1, 2-R, 4, and 5 and Chaco Ltd. Well Nos. 1-J and 2-J located in Sections 7 and 18, Township 26 North, Range 12 West and Section 1, Township 26 North, Range 13 West, and (ii) the Whiting Petroleum Corporation operated Gallegos Federal "26-12-6" Well No. 2, Gallegos Federal "26-12-7" Well No. 1, Gallegos Federal "26-13-" Well Nos. 1 and 2, and Gallegos Federal "26-13-12" Well No. 1 located in Sections 6 and 7, Township 26 North, Range 12 West and Sections 1 and 12, Township 26 North, Range 13 West. The area in which these wells are located is approximately 15 miles south-southeast of Farmington, New Mexico.