

CASE 11666: (Continued from December 5, 1996, Examiner Hearing.)

Application of InterCoast Oil and Gas Company for compulsory pooling and 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 the E/2 of Section 20, Township 20 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 spacing, including but not limited to the Burton Flat-Morrow Gas Pool and the Undesignated West Burton Flat-Atoka Gas Pool. Said unit will be dedicated to its InterCoast State 20 Well No. 1 to be drilled at an unorthodox location 990 feet from the North line and 990 feet from the East line (Unit A) of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 10 miles east-southeast of Locked, New Mexico.

CASE 11682: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Abo production and designated as the Antelope Sink-Abo Gas Pool. The discovery well is the Kaiser Francis Oil Company Antelope Federal Well No. 1 located in Unit F of Section 22, Township 18 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 23 EAST, NMPM

Section 22: NW/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Abo production and designated as the West Antelope Sink-Abo Gas Pool. The discovery well is the Heartland Energy Corporation Sun Texas State Well No. 1 located in Unit J of Section 24, Township 18 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 21 EAST, NMPM

Section 24: SE/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Northeast Collins Ranch-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Niles "KA" Com. Well No. 1 located in Unit N of Section 24, Township 17 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM

Section 24: S/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Cottonwood Spring-Morrow Gas Pool. The discovery well is the Llano Land & Exploration Company Federal "CU" Well No. 1 located in Unit G of Section 35, Township 25 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 25 EAST, NMPM

Section 35: N/2

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the North Duffield-Strawn Gas Pool. The discovery well is the UMC Petroleum Corporation Sink Federal Well No. 2 located in Unit N of Section 9, Township 16 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM

Section 9: S/2

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Eagle Creek-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Divide "JW" Federal Com. Well No. 1 located in Unit K of Section 4, Township 17 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM

Section 4: W/2

CASE 11680: **Application of Richardson Operating Company for compulsory pooling and unorthodox well location, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SE/4 of Section 15, Township 29 North, Range 13 West, forming a standard 160-acre spacing and proration unit to be dedicated to its ROPCO 15 GW PC Well No. 2 which is to be located at an unorthodox gas well location 476 feet from the South line and 1800 feet from the East line (Unit O) of said Section 15 for production from the Fulcher Kutz-Pictured Cliffs Gas Pool or the West Kutz-Pictured Cliffs Gas Pool. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefrom, as well as actual operating costs and charges for supervision, and the designation of applicant as the operator of the well. Said well is located near the intersection of the Bloomfield Highway and Carlton Avenue within the City of Farmington, New Mexico.

CASE 11681: **Application of Richardson Operating Company for compulsory pooling, downhole commingling and an unorthodox gas well location, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the E/2 of Section 15, Township 29 North, Range 13 West, forming standard 160-acre spacing and 320-acre spacing and proration units, respectively. Said units are to be dedicated to its ROPCO 15 GW "A" PC, "B" FC Well No. 1 which is to be located at an unorthodox gas well location 2171 feet from the North line and 775 feet from the East line (Unit H) of said Section 15 for downhole commingled production from the Fulcher Kutz-Pictured Cliffs Gas Pool or the West Kutz-Pictured Cliffs Gas Pool and the Basin-Fruitland Coal Gas Pool. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefrom, as well as actual operating costs and charges for supervision, and the designation of applicant as the operator of the well. Said well is located near the intersection of US Highway 64 and Meadow View Drive within the City of Farmington, New Mexico.

CASE 11562: (Continued from November 21, 1996, Examiner Hearing.)

Application of Shahara Oil Corporation for statutory unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests from the surface of the ground to a lower limit of 5500 feet below the surface of those lands underlying its proposed Shahara State 16 Unit Area encompassing some 320 acres, more or less, of state lands comprising the W/2 of Section 16, Township 17 South, Range 33 East. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investments, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to unit voting procedures, selection, removal or substitution of the unit operator, and time of commencement and termination of unit operations. Said unit area is located approximately 6 miles east-southeast of Maljamar, New Mexico.

CASE 11602: (Continued from November 21, 1996, Examiner Hearing.)

Application of Bass Enterprises Production Company for approval of the expansion of the Atoka Participating Area in the James Ranch Unit, Eddy County, New Mexico. Applicant seeks approval of the third expansion of the participating area for the Atoka formation in the James Ranch Unit Area including 1,683.13 acres, more or less, located in portions of Sections 35 and 36 of Township 22 South, Range 30 East, and portions of Sections 5, 6, 8, and 17 of Township 23 South, Range 31 East. Said unit is located approximately 15 miles east of Carlsbad, New Mexico.

CASE 11603: (Continued from November 21, 1996, Examiner Hearing.)

Application of Bass Enterprises Production Company for approval of the expansion of the Atoka Participating Area in the James Ranch Unit, Eddy County, New Mexico. Applicant seeks approval of the fourth expansion of the participating area for the Atoka formation in the James Ranch Unit Area including 238.54 acres, more or less, located in portions of Section 12, Township 22 South, Range 30 East, and portions of Section 7, Township 22 South, Range 31 East. Said unit is located approximately 15 miles east of Carlsbad, New Mexico.

CASE 11604: (Continued from December 5, 1996, Examiner Hearing.)

Application of Sunco Trucking Water Disposal Company for a show cause hearing as to why it should not be fined for violations of Oil Conservation Division Rule 711, San Juan County, New Mexico. Applicant seeks a hearing to show cause to the Oil Conservation Division why applicant should not be fined \$5,000.00 for violations of the conditions of its Rule 711 permit.