

CASE 10895: (Continued from January 20, 1994, Examiner Hearing.)

Application of Exxon Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant seeks the formation of a 120-acre non-standard gas proration unit comprising the NW/4 SE/4 (Unit J), the NE/4 SE/4 (Unit I), and the SE/4 SE/4 (Unit P) of Section 27, Township 21 South, Range 37 East, Blinebry Oil and Gas Pool, to be simultaneously dedicated to its F. F. Hardison Well No. 7 located 660 feet from the South and East lines and Well No. 8 located 1980 feet from the South line and 660 feet from the East line, both in said Section 27. Said wells currently have a 120-acre non-standard gas proration unit and simultaneous dedication authorized by Administrative Order No. NSP-1482(SD). Said unit is located approximately in Eunice, New Mexico.

CASE 10886: (Continued from January 20, 1994, Examiner Hearing.)

Application of Exxon Corporation for acreage reorientation and for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to reorient the existing acreage currently dedicated in the Blinebry Gas Pool to its New Mexico "S" State Well No. 12, being the 79.50 acres comprising Lots 1 and 2 (N/2 NE/4 equivalent) of Section 2, Township 22 South, Range 37 East, and its New Mexico "S" State Well No. 14, being the 39.78 acres comprising Lot 3 (NE/4 NW/4 equivalent) of said Section 2, both non-standard units previously approved by Division Administrative Orders NSP-954-A and NSP-1599, respectively. The applicant now proposes to combine Lots 2 and 3 (the NW/4 NE/4 and NE/4 NW/4 equivalents) of said Section 2 to form a non-standard 79.52-acre gas spacing and proration unit in the Blinebry Gas Pool for the No. 14 well located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 2 and to dedicate the remaining 39.74 acres comprising Lot 1 (NE/4 NE/4 equivalent) to the No. 12 located 660 feet from the North and East lines (Unit A) of said Section 2. This acreage is located approximately two miles east southeast of Eunice, New Mexico.

CASE 10901: **Application of Amoco Production Company for surface injection pressure increase, Lea County, New Mexico.** Applicant seeks authority to inject water into its South Hobbs Grayburg San Andres Unit Well Nos. 8, 10, 25, 26, 113 and 114, all located in Section 6, Township 19 South, Range 38 East, NMPM, South Hobbs Grayburg-San Andres Unit Pressure Maintenance Project, Lea County, New Mexico, at a surface injection pressure which exceeds formation fracture pressure. Said wells are located at Hobbs, New Mexico.

CASE 10902: **Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project area and special operating rules therefor, San Juan County, New Mexico.** Applicant seeks authority to institute a horizontal directional drilling project in the Blanco-Mesaverde Pool in the S/2 of Section 27, Township 32 North, Range 11 West. Applicant proposes to reenter its Van Hook L.S. Well No. 1 at a surface location 800 feet from the South line and 1090 feet from the West line (Unit M); kicking off from vertical, build angle a medium radius curve and continue drilling in said pool. Applicant further seeks special rules and provisions within the project area including authorization to cross quarter and quarter-quarter section lines and the designation of a prescribed area for the wellbore limiting the horizontal displacement of any drainhole to within 790 feet of the boundary of the project area. Said project area is located approximately 4.5 miles west by northwest of Cedar Hill.

CASE 10903: **Application of Marbob Energy Corporation for abolishment of the Grayburg-Paddock Pool and extension of the vertical limits of the Grayburg-Jackson Pool, Eddy County, New Mexico.** Applicant seeks an order abolishing the Grayburg-Paddock Pool located in portions of Section 18, Township 17 South, Range 30 East, and extending the vertical limits of the Grayburg-Jackson Pool to include the Glorieta Yeso (Paddock) formation under the Unit Area which is located in portions of Township 17 South, Ranges 29 and 30 East. The Burch Keely Unit Area is located 2 miles west of Loco Hills, New Mexico.

CASE 10904: **Application of Marbob Energy Corporation for authorization of unorthodox well locations within its Burch Keely Unit, Eddy County, New Mexico.** Applicant seeks authority to drill producing wells at unorthodox locations within its Burch Keely Unit located in portions of Township 17 South, Ranges 29 and 30 East, provided said locations shall be no closer than 330 feet to the outer boundary of the Unit Area nor closer than 25 feet to any quarter section line or quarter-quarter section line. Said unit area is located 2 miles west of Loco Hills, New Mexico.

CASE 10898: (Continued from January 20, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for pool creation and the promulgation of special pool rules, Eddy County, New Mexico. Applicant seeks the creation of a new pool for the production of oil from the Wolfcamp formation underlying the NW/4 of Section 34, Township 18 South, Range 25 East and for the promulgation of special rules and regulations therefor including provisions for 160-acre oil spacing and proration units, designated well location requirements and a limit on the number of wells in a single proration unit. The proposed pool boundary is located approximately 5 1/2 miles west-southwest of Dayton, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 3, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 6-94 and 7-94 are tentatively set for February 17, 1994 and March 3, 1994. 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 10812: (Continued from January 20, 1994, Examiner Hearing.)

Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal Gas Pool, underlying the N/2 of Section 33, Township 26 North, Range 11 West, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes only the Basin Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon in said Section 33. 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 near the Huerfano Boarding School.

CASE 10888: (Continued from January 20, 1994, Examiner Hearing.)

Application of Merriam Oil & Gas Corporation for compulsory pooling and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin Dakota Pool underlying Lots 1 through 8 (N/2 equivalent) of Section 24, Township 27 North, Range 7 West, being a non-standard 352.07 acre gas spacing and proration unit presently dedicated to a well located 1720 feet from the North line and 1000 feet from the East line (Unit H) of said Section 24. The applicant proposes to drill an infill well at a standard gas well location in Lot 3 (NE/4 NW/4 equivalent) of said Section 24 in which said unit is also to be simultaneously dedicated. Also to be considered will be the cost of drilling and completing said infill 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 infill well. Said area is located approximately 20 miles southeast by east of Blanco, New Mexico.

CASE 10899: Application of Matador Petroleum 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 NW/4 SW/4 or in the alternative, the N/2 SW/4 of Section 5, Township 17 South, Range 37 East, forming either a standard 40-acre 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 Lovington-Drinkard Pool, OR IN THE ALTERNATIVE a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the West Knowles-Drinkard Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard oil well location in Unit L 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6 miles southeast of Lovington, New Mexico.

CASE 10900: Application of H. L. Brown, Jr. to amend Division Order No. R-9935 to approve an unorthodox gas well location, Roosevelt County, New Mexico. Applicant seeks to amend Division Order No. R-9935, which authorized applicant to drill his Federal #27-2 Well at an unorthodox oil well location in the Devonian formation, to now authorize applicant to produce said well from the Bluit-Wolfcamp Gas Pool, the top of said Wolfcamp formation in this well being an unorthodox gas well location of 2618 feet from the North line and 396 feet from the West line (Unit E), Section 27, Township 7 South, Range 37 East. The W/2 of said Section 27 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 10 miles east of Milnesand, New Mexico.

CASE 10894: (Continued from January 20, 1994, Examiner Hearing.)

Application of Exxon Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant seeks the formation of an 80-acre non-standard gas proration unit comprising the NW/4 NE/4 (Unit B) of Section 34 and the SW/4 SE/4 (Unit O) of Section 27, Township 21 South, Range 37 East, Blinbry Oil and Gas Pool, to be dedicated to its F. F. Hardison "B" Well No. 4 located 660 feet from the North line and 1980 feet from the East line of said Section 34. Said well currently has a 40-acre non-standard gas proration unit authorized by Administrative Order No. NSP-1618. Said unit is located approximately in Eunice, New Mexico.

CASE 10888: (Continued from January 6, 1994, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation for compulsory pooling and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin Dakota Pool underlying Lots 1 through 8 (N/2 equivalent) of Section 24, Township 27 North, Range 7 West, being a non-standard 352.07 acre gas spacing and proration unit presently dedicated to a well located 1720 feet from the North line and 1000 feet from the East line (Unit H) of said Section 24. The applicant proposes to drill an infill well at a standard gas well location in Lot 3 (NE/4 NW/4 equivalent) of said Section 24 in which said unit is also to be simultaneously dedicated. Also to be considered will be the cost of drilling and completing said infill 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 infill well. Said area is located approximately 20 miles southeast by east of Blanco, New Mexico.

CASE 10897: Application of Conoco Inc. for approval of the expansion of a waterflood project, to qualify said project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, and for the expansion and contractions of certain pools, Lea County, New Mexico. Applicant seeks approval of an Expansion of its Warren Blinebry-Tubb Waterflood Project by the injection of water into the Warren Blinebry-Tubb Oil and Gas Pool, the expansion of said pool to include portions or all of Sections 20, 21, 28 and 29, Township 20 South, Range 38 East, in an area consisting of 1,280 acres, more or less, and the concomitant contraction of the Blinebry Oil and Gas Pool and the Warren-Tubb Gas Pool from said area. Applicant further seeks to qualify said expansion area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 5-1/2 miles south-southwest of Nadine, New Mexico.

CASE 10898: Application of Yates Petroleum Corporation for pool creation and the promulgation of special pool rules, Eddy County, New Mexico. Applicant seeks the creation of a new pool for the production of oil from the Wolfcamp formation underlying the NW/4 of Section 34, Township 18 South, Range 25 East and for the promulgation of special rules and regulations therefor including provisions for 160-acre oil spacing and proration units, designated well location requirements and a limit on the number of wells in a single proration unit. The proposed pool boundary is located approximately 5 1/2 miles west-southwest of Dayton, New Mexico.

CASE 10858: (Continued from January 6, 1994, Examiner Hearing.)

Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located north of Highway 180 some 4.75 miles northeast of the intersection of Highways 176 and 180 and are approximately 2.75 miles northeast of Laguna Gatuna, New Mexico.

CASE 10898: (Reopened - This Case Will Be Continued to August 24, 1995.)

In the matter of Case No. 10898 being reopened pursuant to the provisions of Division Order No. R-10056, which promulgated special pool rules and regulations for the Penasco Draw-Wolfcamp Pool in Eddy County, New Mexico, including a provision for 160-acre spacing and proration units and designated well location requirements. Operators in the subject pool may appear and show cause why the temporary special rules and regulation for the Pensaco Draw-Wolfcamp Pool should not be rescinded.

CASE 11348: Application of Strata Production Company for an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the well location requirements of Division General Rule 104 to permit the drilling of the Alondra Well No. 1 at an unorthodox location 1213 feet from the South line and 888 feet from the West line (Unit M) of Section 17, Township 7 South, Range 34 East (being approximately 5 miles northwest by north of Milnesand, New Mexico), to a depth sufficient to test the Devonian formation.

CASE 11227: (Continued from June 15, 1995, Examiner Hearing.)

Application of PermOK Oil, Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to establish a non-standard 80-acre gas spacing and proration unit in the Undesignated Rhodes Yates-Seven Rivers Gas Pool comprising the N/2 NW/4 of Section 23, Township 26 South, Range 37 East, being approximately 6.5 miles southeast by south of Jal, New Mexico. Said unit is to be dedicated to its proposed Leonard Brothers "A" Federal Well No. 2 to be drilled at a standard gas well location 660 feet from the North and West lines (Unit D) of said Section 23.

CASE 11326: (Readvertised)

Application of Texaco Exploration and Production Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, a non-standard oil proration unit, simultaneous dedication, and a special project allowable, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the West Lindrith Gallup-Dakota Oil Pool underlying the S/2 of Section 21, Township 25 North, Range 5 West, to form a non-standard 320-acre oil spacing and proration unit for said pool. The applicant proposes to recomplete the existing Jicarilla "C" Well No. 35, located at a standard surface location 1850 feet from the South line and 1190 feet from the West line (Unit L) of said Section 21, by kicking-off from vertical in an easterly direction commencing to build angle at an appropriate rate to horizontally traverse the proposed producing area. Further, the applicant seeks the promulgation of special operating rules and procedures therefor including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 790 feet to the outer boundary of the project area. The applicant also requests the assignment of a special project allowable for the proposed oversized oil spacing and proration unit to be simultaneously dedicated to both the Jicarilla "C" Well No. 35 and to the Jicarilla "C" Well No. 26, located at a standard oil well location 1850 feet from the South line and 790 feet from the East line (Unit I) of said Section 21. Said area is located approximately 18.5 miles west by north of Lindrith, New Mexico.

CASE 11330: (Continued from July 13, 1995, Examiner Hearing.)

Application of Meridian Oil Inc. for downhole commingling, a non-standard gas proration unit, dual completion, and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional East Blanco-Pictured Cliffs Pool gas production with coal gas production from the Basin-Fruitland Coal (Gas) Pool and to dual said commingled production with gas production from the Blanco-Mesaverde Pool within the wellbore of its San Juan "30-4" Unit Well No. 40 to be drilled at an unorthodox gas well location for all three zones 2450 feet from the South line and 2270 feet from the East line (Unit J) of Section 21, Township 30 North, Range 4 West. The E/2 of said Section 21 is to be dedicated to said well in all three zones thereby forming a standard 320-acre gas spacing and proration unit in the Basin-Fruitland Coal (Gas) Pool and Blanco-Mesaverde Pool and a non-standard unit for the East Blanco-Mesaverde Pool. Said unit is located approximately 18 miles southwest of Dulce, New Mexico.

CASE 11331: (Continued from July 13, 1995, Examiner Hearing.)

Application of Meridian Oil Inc. for downhole commingling, a non-standard gas proration unit, an unorthodox gas well location and dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle East Blanco-Pictured Cliffs Gas Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its San Juan 30-4 Unit Well No. 40 to be drilled at an unorthodox gas well location 2450 feet from the South line and 2270 feet from the East line (Unit J) of Section 21, Township 30 North, Range 4 West. The E/2 of Section 21 is to be dedicated to the subject well in the Basin-Fruitland Coal Gas Pool thereby forming a standard 320-acre gas spacing and proration unit for said pool. The applicant further seeks to establish a 320-acre non-standard gas proration unit for the East Blanco-Pictured Cliffs Gas Pool comprising the E/2 of Section 21. The applicant further seeks authority to dually complete this well as an East Blanco-Pictured Cliffs/Basin-Fruitland Coal Gas Pool and Blanco-Mesaverde Gas Pool producing well. Said well is located approximately 10.5 miles southeast of Navajo Lake State Park.

CASE 11323: (Continued from July 13, 1995, Examiner Hearing.)

Application of Stevens & Tull, Inc. for an exception to the casing requirements of Division Order No. R-111-P, Lea County, New Mexico. Applicant, in the above styled-cause, seeks authority to delete the salt protection string requirements of Division Order No. R-111-P in the "Oil-Potash Area" from its proposed Federal "9" Well No. 7 to be drilled 2310 feet from the South line and 990 feet from the East line (Unit I) of Section 9, Township 20 South, Range 33 East, to test the West Teas-Yates Seven Rivers Pool. Said well site is located approximately one mile north of U. S. Highway 62/180 at mile post No. 72.

CASE 11338: (Continued from July 13, 1995, Examiner Hearing.)

Application of Stevens & Tull Inc. for an exception to the salt protection casing string requirement of Division Order No. R-111-P for certain wells located in portions of Township 20 South, Range 33 East, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the salt protection casing string requirement contained within Division Order No. R-111-P for certain oil wells to be located in Sections 9, 10, and 16, Township 20 South, Range 33 East, to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject area is located north of Highway 180 some 4 miles northeast from the intersection of Highways 176 and 180 and approximately 1 mile east of Laguna Gatuna.

CASE 11342: Application of Conoco Inc. for downhole commingling and for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks exceptions from Division General Rule 303(C) to establish on an area-wide basis authorization for downhole commingling of Basin-Dakota and Blanco-Mesaverde Gas Pool production in the wellbores of existing or future wells drilled anywhere within the San Juan 28-7 Unit including the approval of 17 new wells to be drilled as downhole commingled Dakota-Mesaverde wells and the approval to convert 14 existing Dakota wells by downhole commingling Dakota and Mesaverde production within those wellbores. This Unit is located in all of Township 28 North, Range 7 West, and portions of Township 27 North, Range 7 West. In addition, the applicant seeks approval to drill its San Juan 28-7 Unit Well Nos. 125M and 157N at unorthodox gas well locations 580 feet from the North line and 1140 feet from the West line (Unit D) of Section 12, and 780 feet from the South line and 703 feet from the East line (Unit P) of Section 11, respectively, both in Township 27 North, Range 7 West. The center of said area is located approximately 10 miles southeast of Navajo City, New Mexico.

CASE 11283: (Continued from July 13, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for an amendment to Division Order No. R-9976-A authorizing a location change of a certain unorthodox infill gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9976-A, which order authorized the applicant to infill drill the Pecos Slope-Abo (unprorated) Gas Pool within a portion of Townships 5, 6, and 7 South, Ranges 25 and 26 East, by changing the location approved by said order of its Catterson "SS" Federal Well No. 7, which has already been drilled, to reflect its current position 2310 feet from the South line and 660 feet from the East line (Unit I) of Section 33, Township 7 South, Range 26 East. Said well is located approximately 14 miles west of Elkins, New Mexico.

CASE 11264: (Continued from August 10, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 24, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Fairchild "24" Well No. 2 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 24. 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 unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles west-northwest of Lakewood, New Mexico.

CASE 11339: (Continued from August 10, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for directional drilling and an unorthodox bottomhole location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Zinnia Federal Unit Well No. 1 from a unorthodox surface location 1980 feet from the North line and 910 feet from the West line (Unit E) of Section 27, Township 20 South, Range 29 East, to an unorthodox bottomhole gas well location within 50 feet of a point 1980 from the North line and 2405 feet from the East line (Unit G of Section 27, to test the Strawn and Morrow formations, Undesignated East Burton Flat-Strawn Gas Pool and Wildcat Morrow. The N/2 of Section 27 is to be dedicated to this well forming a standard 320-acre gas spacing and proration unit for both formations. Said well is located approximately 11 miles northeast of Carlsbad, New Mexico.

CASE 11370: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation, underlying the N/2 of Section 36, Township 17 South, Range 30 East, 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 Loco Hills-Atoka Gas Pool and the Cedar Lake-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles east-southeast of Loco Hills, New Mexico.

CASE 10898: (Reopened - Continued from July 27, 1995, Examiner Hearing.)

In the matter of Case No. 10898 being reopened pursuant to the provisions of Division Order No. R-10056, which promulgated special pool rules and regulations for the Penasco Draw-Wolfcamp Pool in Eddy County, New Mexico, including a provision for 160-acre spacing and proration units and designated well location requirements. Operators in the subject pool may appear and show cause why the temporary special rules and regulation for the Pensaco Draw-Wolfcamp Pool should not be rescinded.

CASE 11371: Application of AnSon Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation, underlying the NW/4 NW/4 (Unit D) of Section 9, Township 17 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 2 miles west-northwest of Knowles, New Mexico.

CASE 11372: Application of AnSon Gas Corporation for compulsory pooling, a high angle/horizontal directional drilling project, a non-standard oil proration unit, an unorthodox bottomhole oil well location or "producing area", special operating rules therefor, and a special project allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling project within the Devonian formation in an area comprising the E/2 NW/4 of Section 33, Township 16 South, Range 38 East, thereby forming a non-standard 80-acre oil spacing and proration unit. Applicant proposes to recompleting its existing Mary "33" Well No. 1, located at a standard surface oil well location 2000 feet from the North line and 2310 feet from the West line (Unit F) of said Section 33, by kicking off from vertical in a north-northeasterly direction, commencing to build angle at an appropriate rate in order to horizontally traverse the proposed project area. The applicant further seeks approval of an unorthodox bottomhole oil well location whereby the "producing area" for said wellbore would be no closer than 330 feet from the north, west and south boundaries of the 80-acre tract, nor closer than 90 feet to its eastern boundary. The applicant also requests the assignment of a special project allowable for the proposed oversized oil spacing and proration unit. Also to be considered in this matter is the applicant's request for an order pooling all mineral interests in the Devonian formation underlying said 80 acres. Also to be considered will be the cost of re-entering, recompleting, and horizontally drilling 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 unit, and a charge for risk involved in re-entering, recompleting, and horizontally drilling said well.

CASE 11379: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit Lobo Production, operator, Fidelity & Deposit Company of Maryland, surety, and all other interested parties to appear and show cause why the following six wells located in Sandoval and San Juan Counties, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug any or all of said wells, the Division seeks an order directing the operator to pay the costs of such plugging and if failing to do so, ordering a forfeiture of the plugging bond, if any, covering said well(s):

- (1) Gulf Federal "24" Well No. 1 (API No. 30-043-20672), located 920'FNL & 795'FWL (Unit D) of Section 24, Township 23 North, Range 6 West, Sandoval County;
- (2) Gulf State "36" Well No. 1 (API No. 30-043-20660), located 850'FNL & 800'FEL (Unit A) of Section 36, Township 23 North, Range 6 West, Sandoval County;
- (3) Hynes Kennedy "7" Well No. 1 (API No. 30-045-25599), located 800'FSL & 1885'FEL (Unit O) of Section 7, Township 29 North, Range 14 West, San Juan County;
- (4) Mesa Kirtland "11" Well No. 1 (API No. 30-045-25440), located 1190'FNL & 1850'FWL (Unit C) of Section 11, Township 29 North, Range 15 West, San Juan County;
- (5) Hatch Well No. 1 (API No. 30-045-24985), located 660'FNL & 1980'FWL (Unit C) of Section 14, Township 29 North, Range 15 West, San Juan County; and,
- (4) Libra Well No. 1 (API No. 30-045-25852), located 810'FNL & 1800'FWL (Unit C) of Section 16, Township 32 North, Range 13 West, San Juan County.

CASE 11380: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit Sovereign Oil Company, operator, Allied Fidelity Insurance Company, surety, and all other interested parties to appear and show cause why the Sovereign "32-6" Well No. 1 (API No. 30-045-25790), located 1730 feet from the North line and 900 feet from the West line (Unit E) of Section 9, Township 32 North, Range 6 West, San Juan County, New Mexico (which is approximately 14.5 miles northeast by north of the Navajo Reservoir Dam), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have this well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

CASE 10898: (Reopened - Continued from August 24, 1995, Examiner Hearing.)

In the matter of Case No. 10898 being reopened pursuant to the provisions of Division Order No. R-10056, which promulgated special pool rules and regulations for the Pensaco Draw-Wolfcamp Pool in Eddy County, New Mexico, including a provision for 160-acre spacing and proration units and designated well location requirements. Operators in the subject pool may appear and show cause why the temporary special rules and regulation for the Pensaco Draw-Wolfcamp Pool should not be rescinded.

CASE 11381: 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 Wolfcamp production and designated as the North Pierce Crossing-Wolfcamp Gas Pool. The discovery well is the Maralo, Inc. Cochiti "5" Federal Com. Well No. 1 located in Unit M of Section 5, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 5: W/2

- (b) EXTEND the Southeast Acme-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM
Section 11: NE/4
Section 14: SE/4
Section 23: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 12: E/2
Section 13: NE/4

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

TOWNSHIP 23 SOUTH. RANGE 26 EAST. NMPM

Section 12: N/2

- (e) EXTEND the South Culebra Bluff-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH. RANGE 28 EAST. NMPM

Section 33: SE/4

TOWNSHIP 24 SOUTH. RANGE 28 EAST. NMPM

Section 4: E/2

Section 9: E/2

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

TOWNSHIP 22 SOUTH. RANGE 26 EAST. NMPM

Section 18: N/2

Section 33: N/2

- (g) EXTEND the West Indian Flats-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH. RANGE 28 EAST. NMPM

Section 29: S/2

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

TOWNSHIP 23 SOUTH. RANGE 30 EAST. NMPM

Section 19: W/2

Section 30: N/2

- (i) EXTEND the Siegest Draw-Abo Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH. RANGE 24 EAST. NMPM

Section 32: NW/4

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

TOWNSHIP 24 SOUTH. RANGE 26 EAST. NMPM

Section 31: All

CASE 11379: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit Lobo Production, operator, Fidelity & Deposit Company of Maryland, surety, and all other interested parties to appear and show cause why the following six wells located in Sandoval and San Juan Counties, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug any or all of said wells, the Division seeks an order directing the operator to pay the costs of such plugging and if failing to do so, ordering a forfeiture of the plugging bond, if any, covering said well(s):

- (1) Gulf Federal "24" Well No. 1 (API No. 30-043-20672), located 920'FNL & 795'FWL (Unit D) of Section 24, Township 23 North, Range 6 West, Sandoval County;
- (2) Gulf State "36" Well No. 1 (API No. 30-043-20660), located 850'FNL & 800'FEL (Unit A) of Section 36, Township 23 North, Range 6 West, Sandoval County;
- (3) Hynes Kennedy "7" Well No. 1 (API No. 30-045-25599), located 800'FSL & 1885'FEL (Unit O) of Section 7, Township 29 North, Range 14 West, San Juan County;
- (4) Mesa Kirtland "11" Well No. 1 (API No. 30-045-25440), located 1190'FNL & 1850'FWL (Unit C) of Section 11, Township 29 North, Range 15 West, San Juan County;
- (5) Hatch Well No. 1 (API No. 30-045-24985), located 660'FNL & 1980'FWL (Unit C) of Section 14, Township 29 North, Range 15 West, San Juan County; and,
- (4) Libra Well No. 1 (API No. 30-045-25852), located 810'FNL & 1800'FWL (Unit C) of Section 16, Township 32 North, Range 13 West, San Juan County.

CASE 11380: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit Sovereign Oil Company, operator, Allied Fidelity Insurance Company, surety, and all other interested parties to appear and show cause why the Sovereign "32-6" Well No. 1 (API No. 30-045-25790), located 1730 feet from the North line and 900 feet from the West line (Unit E) of Section 9, Township 32 North, Range 6 West, San Juan County, New Mexico (which is approximately 14.5 miles northeast by north of the Navajo Reservoir Dam), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have this well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

CASE 10898: (Reopened - Continued from August 24, 1995, Examiner Hearing.)

In the matter of Case No. 10898 being reopened pursuant to the provisions of Division Order No. R-10056, which promulgated special pool rules and regulations for the Penasco Draw-Wolfcamp Pool in Eddy County, New Mexico, including a provision for 160-acre spacing and proration units and designated well location requirements. Operators in the subject pool may appear and show cause why the temporary special rules and regulation for the Pensaco Draw-Wolfcamp Pool should not be rescinded.

CASE 11381: 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 Wolfcamp production and designated as the North Pierce Crossing-Wolfcamp Gas Pool. The discovery well is the Maralo, Inc. Cochiti "5" Federal Com. Well No. 1 located in Unit M of Section 5, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 5: W/2

- (b) EXTEND the Southeast Acme-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM

Section 11: NE/4

Section 14: SE/4

Section 23: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 12: E/2

Section 13: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 12: N/2

- (e) EXTEND the South Culebra Bluff-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 33: SE/4

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM

Section 4: E/2

Section 9: E/2

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

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 18: N/2

Section 33: N/2

- (g) EXTEND the West Indian Flats-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 29: S/2

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

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM

Section 19: W/2

Section 30: N/2

- (i) EXTEND the Siegrest Draw-Abo Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 32: NW/4

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

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM

Section 31: All