

**DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 4, 1994**  
**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

Dockets Nos. 24-94 and 25-94 are tentatively set for August 18, 1994 and September 1, 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 9253: (Reopened)**

In the matter of Case No. 9253 being reopened pursuant to the provisions of Division Order No. R-8546, which order created the Santo Nino-Bone Spring Pool in Eddy County, New Mexico, and promulgated Temporary Special Rules and Regulations, including a provision for 80-acre spacing and proration units and designated well locations. All operators in said pool may appear and show cause why the Santo Nino-Bone Spring Pool should not be developed on 40-acre spacing units.

**CASE 10976: (Continued from July 7, 1994, Examiner Hearing.)**

**Application of Harvey E. Yates Company 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 Morrow formation underlying the E/2 of Section 32, Township 17 South, Range 31 East, 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. 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 a charge for risk involved in drilling and completing said well. Said unit is located approximately 1.5 miles southwest of the junction of U.S. Highway 82 and State Road 529.

**CASE 11013: (Continued from July 7, 1994, Examiner Hearing)**

**Application of Baber Well Servicing Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval for its NM "BZ" State NCT-5 Well No. 5 drilled at an unorthodox oil well location 40 feet from the North line and 750 feet from the West line (Unit D) of Section 29, Township 21 South, Range 35 East, as an infill well on an existing 40-acre standard oil proration unit in the North San Simon-Yates Associated Pool, which is currently dedicated to the Pronghorn Management Corporation NM "BZ" State NCT-5 Well No. 1 located at a standard oil well location 660 feet from the North and West lines of said Section 29. Said unit is located approximately 8.5 miles west-southwest of Oil Center, New Mexico. FURTHER, a single operator for the subject 40-acre unit shall be designated by the applicant at the time of the hearing.

**CASE 11046: Application of Primero Operating, Inc. for an unorthodox oil well location, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hi-Way State Well No. 1 which is currently being drilled at an unorthodox oil well location 2417 feet from the South line and 2245 feet from the East line (Unit J) of Section 36, Township 10 South, Range 27 East, to test the Devonian formation. The NW/4 SE/4 of said Section 36 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 11 miles northeast of Bottomless Lake State Park, New Mexico.

**CASE 11003: (Continued from July 21, 1994, Examiner Hearing.)**

**Application of Hal J. Rasmussen Operating, Inc. for a pressure maintenance project, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Farnsworth A Lease in Section 13, Township 26 South, Range 36 East, by the injection of water into the Seven Rivers formation, Scarborough Yates-Seven Rivers Pool, through its Farnsworth A Wells No. 1 and 2 located in Units A and P, respectively, of said Section 13. Said project is located approximately 4 miles south-southwest of Jal, New Mexico.

**CASE 11047: Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its Johnson "POW" Well No. 1 at an unorthodox coal gas well location 240 feet from the South line and 340 feet from the East line (Unit P) of Section 21, Township 27 North, Range 10 West, NMPM, in the Basin-Fruitland Coal Gas Pool. The E/2 of Section 21 is to be simultaneously dedicated to the above-described well and to the existing Johnson Well No. 2 located 1625 feet from the South line and 1090 feet from the East line (Unit I), for the purpose of conducting a reservoir study within the Basin-Fruitland Coal Gas Pool. Said well is located approximately 11 miles southeast of Bloomfield, New Mexico.

**CASE 11038:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Meridian Oil Inc. for downhole commingling, 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 Dakota, Mesaverde and Gallup gas production in the wellbores of existing or future wells drilled anywhere within Sections 26 through 30, 33, 34 and S/2 of 35 in Township 26 North, Range 6 West, said production being portions of the Basin-Dakota Pool, the Blanco Mesaverde Pool and Undesignated Gallup production. The center of said area is located approximately 4 miles southeast of El Paso Natural Gas Company Largo Station, New Mexico.

**CASE 11039:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Aztec-Pictured Cliffs Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its existing Fifield Well No. 2, located 1650 feet from the South line and 1090 feet from the East line (Unit D) Section 5, Township 29 North, Range 11 West. Said well is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a 305.92-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool comprising Lots 1 and 2, the S/2 NE/4 and SE/4 (E/2 equivalent) of said Section 5. Said well is located approximately 3.5 miles north northwest of Bloomfield, New Mexico.

**CASE 11042:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Meridian Oil Inc. for salt water disposal, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks authority to drill its Jillison Federal SWD Well No. 1 in the SE/4 NW/4 (Unit F) of Section 8, Township 24 North, Range 3 West, for the purpose of disposing produced salt water into the Entrada formation through perforations from approximately 8441 feet to 8683 feet. Said location is approximately 6 miles west-northwest of Lindrith, New Mexico.

**CASE 11048:** **Application of Bass Enterprises Production Co. for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Section 30, Township 23 South, Range 30 East, 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. Said unit is to be dedicated to a well to be drilled and completed 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 a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.0 miles northwest of Poker Lake.

**CASE 10996:** (Continued from July 7, 1994, Examiner Hearing.)

**Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 22, Township 18 South, Range 32 East, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to its existing Querecho Plains Unit Well No. 1 which was drilled at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 22. Also to be considered will be the valuation of the existing wellbore and the cost of recompleting 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 recompleting said well. Said unit is located approximately 8 miles south-southwest from Maljamar, New Mexico.

**CASE 11002:** (Continued from July 7, 1994, Examiner Hearing.)

**Application of West Largo Corporation for compulsory pooling, Sandoval County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Rusty-Chacra Pool underlying the SW/4 of Section 4, Township 21 North, Range 6 West, forming a standard 160-acre gas spacing and proration unit for said 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 a charge for risk involved in drilling and completing said well. Said unit is located approximately 9 miles south of Counselor, New Mexico.

**CASE 11049:** Application of Matador Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 29, Township 15 South, Range 30 East, 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 but is not necessarily limited to the Little Lucky Lake-Morrow Gas Pool. Said unit is to be dedicated to the existing Paloma Resources, Inc.'s Peery Federal Well No. 3 located at an unorthodox gas well location 1820 feet from the South line and 2140 feet from the West line (Unit K) of said Section 29. Also to be considered will be the costs of participation in said well and the allocation of the costs and income thereof as well as actual operating costs and charges for supervision and designation of applicant as the operator of the well. Said unit is located approximately 11.5 miles north by east of Loco Hills, New Mexico.

**CASE 11050:** Application of EnRe Corporation for a high angle/horizontal directional drilling project, a non-standard oil proration unit, unorthodox well location, a special project allowable, and special operating rules therefor, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling project in the Mancos formation, Boulder-Mancos Oil Pool underlying the W/2 and the W/2 E/2 of Section 22, Township 28 North, Range 1 West, NMPM, thereby forming a 480-acre non-standard oil proration unit. The applicant proposes to commence drilling its Cedar Canyon "22G" Well No. 1 from an unorthodox surface location 1650 feet from the North line and 2020 feet from the East line (Unit G) of Section 22, kick off from the vertical in a southwesterly direction building angle so as to penetrate the Mancos formation at a true vertical depth of approximately 6722 feet and continue drilling laterally a distance of approximately 2400 feet. Applicant further seeks the adoption of special operating provisions and rules within the project area including the designation of a prescribed area limiting the horizontal extent of said wellbore such that it cannot be located closer than 330 feet from the outer boundary of the project area, and for a special project allowable equal to the standard oil allowable times the number of 80-acre proration units traversed by the wellbore. Said project area is located approximately 3 miles west of Burford Lake.

**CASE 10991:** (Continued from July 7, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Pecos Slope Abo 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 a charge for risk involved in drilling and completing said well. Said unit is located approximately 15 miles west-northwest of Elkins, New Mexico.

**CASE 10444:** (Continued from July 7, 1994, Examiner Hearing.)

In the matter of Case No. 10444 being reopened pursuant to the provisions of Order No. R-9696 which order promulgated special rules and regulations for the Hobbs-Lower Blinebry Pool including a provision for 80-acre spacing units. Operators in the subject pool should be prepared to appear and show cause why the temporary special pool rules for the Hobbs-Lower Blinebry Pool should not be rescinded and said pool not be developed on 40-acre spacing units and why both the upper and lower Blinebry pools formed by this order should not be rejoined and redesignated the Hobbs-Blinebry Pool.

**CASE 11051:** Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the E/2 of Section 26, Township 30 North, Range 8 West, NMPM, which is currently dedicated to its Gartner "A" Well Nos. 8 and 8A located respectively in Units A and P. The applicant proposes to re-enter its Gartner "A" Well No. 8, located at a standard gas well location 990 feet from the North and East lines of Section 26, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. The applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of the spacing unit. Said project area is located approximately 2 miles southwest of Navajo Dam.

**CASE 11052:** Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the S/2 of Section 9, Township 30 North, Range 8 West, NMPM, which is currently dedicated to its Moore Well Nos. 5 and 5A located respectively in Units N and O. The applicant proposes to re-enter its Moore Well No. 5, located at a standard gas well location 990 feet from the South line and 1805 feet from the West line of Section 9, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. The applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of the spacing unit. Said project area is located approximately 3 miles northwest of Navajo Dam.

**CASE 11053:** Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the E/2 of Section 29, Township 31 North, Range 8 West, NMPM, which is currently dedicated to its Kernaghan "B" Well Nos. 3 and 3A located respectively in Units B and O. The applicant proposes to re-enter its Kernaghan "B" Well No. 3A, located at a standard gas well location 980 feet from the South line and 1480 feet from the East line of Section 29, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. The applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of the spacing unit. Said project area is located approximately 6 miles northwest of Navajo Dam.

**CASE 11054:** Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the E/2 of Section 6, Township 30 North, Range 8 West, NMPM, which is currently dedicated to its Florence "H" Well Nos. 37 and 37A located respectively in Units H and J. The applicant proposes to drill vertically its Florence "H" Well No. 37R as a replacement well for the Florence "H" Well No. 37 at a yet to be determined location in the SE/4 of Section 6 no closer than 790 feet from the outer boundary of the project area, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. The applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of the spacing unit. Said project area is located approximately 5 miles northwest of Navajo Dam.

**CASE 11055:** Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the W/2 of Section 34, Township 30 North, Range 8 West, NMPM, which is currently dedicated to its Thompson "LS" Well Nos. 2 and 2A located respectively in Units M and D. The applicant proposes to drill vertically its Thompson "LS" Well No. 2R as a replacement well for the Thompson "LS" Well No. 2 at a yet to be determined location in the SW/4 of Section 34 no closer than 790 feet from the outer boundary of the project area, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. The applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of the spacing unit. Said project area is located approximately 4 miles southwest of Navajo Dam.

**CASE 11056:** Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a high angle/horizontal directional drilling pilot project in the Blanco-Mesaverde Gas Pool on an existing 320-acre gas spacing and proration unit comprising the E/2 of Section 19, Township 30 North, Range 8 West, NMPM, which is currently dedicated to its Lindsey A "LS" Well No. 1 located in Unit H. The applicant proposes to drill vertically its Lindsey A "LS" Well No. 1A from a standard surface location 790 feet from the South line and 1000 feet from the East line (Unit P) of Section 19, kick off from the vertical, build a medium radius curve, and drill laterally an undetermined distance. The applicant further proposes to keep the horizontal displacement of said well's producing interval within the allowed 790 foot setback requirement from the outer boundary of the spacing unit. Said project area is located approximately 4 miles southwest of Navajo Dam.

**CASE 11057:** Application of Mallon Oil Company 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 Delaware formation underlying the SW/4 NW/4 of Section 27, Township 19 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit is to be dedicated to its Mallon "27" Federal Well No. 3 to be drilled and completed 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 8 miles east of Laguna Tonto, New Mexico.

**CASE 11058:** Application of Mallon Oil Company 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 Delaware formation underlying the SE/4 SW/4 of Section 27, Township 19 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit is to be dedicated to its Mallon "27" Federal Well No. 1 to be drilled and completed 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 8 miles east of Laguna Tonto, New Mexico.

**CASE 11059:** Application of Mallon Oil Company 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 Delaware formation underlying the SE/4 SE/4 of Section 27, Township 19 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Northeast Lea-Delaware Pool. Said unit is to be dedicated to its Mallon "27" Federal Well No. 2 to be drilled and completed 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 8 miles east of Laguna Tonto, New Mexico.

**CASE 11060:** Application of Mallon Oil Company 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 Delaware formation underlying the SW/4 NW/4 of Section 34, Township 19 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit is to be dedicated to its Mallon "34" Federal Well No. 5 to be drilled and completed 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 8 miles east of Laguna Tonto, New Mexico.

**CASE 11061:** Application of Mallon Oil Company 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 Delaware formation underlying the NE/4 NE/4 of Section 34, Township 19 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Northeast Lea-Delaware Pool. Said unit is to be dedicated to its Mallon "34" Federal Well No. 2 to be drilled and completed 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 8 miles east of Laguna Tonto, New Mexico.

**CASE 11062:** Application of Mallon Oil Company 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 Delaware formation underlying the NE/4 SE/4 of Section 34, Township 19 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Northeast Lea-Delaware Pool. Said unit is to be dedicated to its Mallon "34" Federal Well No. 3 to be drilled and completed 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 8 miles east of Laguna Tonto, New Mexico.

**CASE 11063:** **Application of Mallon Oil Company 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 Delaware formation underlying the NW/4 NW/4 of Section 34, Township 19 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit is to be dedicated to its Mallon "34" Federal Well No. 1 to be drilled and completed 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 8 miles east of Laguna Tonto, New Mexico.

**CASE 11064:** **Application of Mallon Oil Company 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 Delaware formation underlying the SE/4 NW/4 of Section 34, Township 19 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Northeast Lea-Delaware Pool. Said unit is to be dedicated to its Mallon "34" Federal Well No. 4 to be drilled and completed 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 8 miles east of Laguna Tonto, New Mexico.

**CASE 11065:** **Application of Mallon Oil Company 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 Delaware formation underlying the NE/4 NW/4 of Section 34, Township 19 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit is to be dedicated to its Mallon "34" Federal Well No. 6 to be drilled and completed 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 8 miles east of Laguna Tonto, New Mexico.

**CASE 11021:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Mewbourne Oil Company 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 Morrow formation underlying the E/2 of Section 22, Township 20 South, Range 25 East, 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 but is not necessarily limited to the Undesignated Cemetery-Morrow Gas Pool or the Undesignated West Bubbling Springs-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 a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles south of Lakewood, New Mexico.

**CASE 11037:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of Yates Energy Corporation for an unorthodox gas well location and non-standard gas proration unit, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to drill a well at an unorthodox gas well location 1680 feet from the South line and 330 feet from the West line (Lot 5-Unit L) of Irregular Section 12, Township 22 South, Range 25 East, to test the Undesignated Revelation Morrow Gas Pool. Lots 4, 5, 6 and 7 and the SE/4 (S/2 equivalent) of said Section 12 is to be dedicated to said well to form a non-standard 332.74-acre gas spacing and proration unit. Said unit is located approximately 7 miles west of Carlsbad, New Mexico.

**CASE 11043:** (Continued from July 21, 1994, Examiner Hearing.)

**Application of J. K. Edwards Associates, Inc. for salt water disposal, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks authority to utilize its Bengal "A" Well No. 1, located 1980 feet from the South and West lines (Unit K) of Section 1, Township 26 North, Range 12 West, to dispose of produced salt water into the Gallegos-Gallup Associated Pool through the perforated interval from approximately 4993 feet to 5174 feet. Said well is located approximately 16.5 miles southeast by east of Farmington, New Mexico.

DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 11, 1994

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

CASE 10955: (De Novo)

Application of Consolidated Oil & Gas Inc. to amend Division Order No. R-9033, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9033 which designated Richmond Petroleum Inc. as operator and compulsory pooled Lots 1 and 2, the S/2 NE/4 and the SE/4 (E/2 equivalent) of Section 9, Township 32 North, Range 6 West, for the drilling of the Federal 32-6-9 Well No. 1 at an unorthodox coal gas well location (see also Division Administrative Order NSL-2720) 510 feet from the North line and 210 feet from the East line (Unit A) of said Section 9 in the Basin-Fruitland Coal Gas Pool and forming a 279.40-acre gas spacing and proration unit. These amendments are to include the substitution of the applicant as operator, to provide a supplemental election to participate, to add additional parties, to revise the various reporting dates in this order and to otherwise reissue and renew the subject order including the recovery of both actual and future costs of drilling and completing the said well including a charge for the risk involved. Said unit is bounded to the north by the State of Colorado at Mile Post No. 243. Upon application of Edmund T. Anderson, IV, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10956: (De Novo)

Application of Consolidated Oil & Gas Inc. to amend Division Order No. R-9178, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9178 which designated Richmond Petroleum Inc. as operator and compulsory pooled Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of irregular Section 11, Township 32 North, Range 6 West, for the drilling of the Miller "11" Well No. 1 at an unorthodox coal gas well location 1132 feet from the North line and 760 feet from the West line (Unit E) of said Section 11, in the Basin-Fruitland Coal Gas Pool and forming a 232.80-acre non-standard gas spacing and proration unit. These amendments are to include the substitution of the applicant as operator, to provide a supplemental election to participate, to add additional parties, to revise the various reporting dates in this order and to otherwise reissue and renew the subject order including the recovery of both actual and future costs of drilling and completing the said well including a charge for the risk involved. Said unit is bounded to the North by the State of Colorado for one-half mile of either side of Astronomical Monument No. 8 located on the New Mexico/Colorado stateline. Upon application of James J. Rubow, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10957: (De Novo)

Application of Consolidated Oil & Gas Inc. to amend Division Order No. R-9179, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9179 which designated Richmond Petroleum Inc. as operator and compulsory pooled the S/2 of Section 11, Township 32 North, Range 6 West, for the drilling of the Carnes "11" Well No. 1 at an unorthodox coal gas well location 1800 feet from the South line and 230 feet from the West line (Unit L) of said Section 11 in the Basin-Fruitland Coal Gas Pool and forming a standard 320-acre gas spacing and proration unit. These amendments are to include the substitution of the applicant as operator, to provide a supplemental election to participate, to add additional parties, to revise the various reporting dates in this order and to otherwise reissue and renew the subject order including the recovery of both actual and future costs of drilling and completing the said well including a charge for the risk involved. Said unit is located approximately 1/2 mile south of Astronomical Monument No. 8 located on the Colorado/New Mexico stateline. Upon application of James J. Rubow and Edmund T. Anderson, IV, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10960: (De Novo)

Application of Mewbourne Oil Company for approval of a waterflood project and qualification for the recovered oil tax rate, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute a waterflood project in its proposed Querecho Plains-Queen Associated Sand Unit Area (being the subject of Case No. 10959) located in portions of Sections 21 through 23 and Sections 26 through 28, Township 18 South, Range 32 East, by the injection of water into the Querecho Plains-Queen Associated Pool through 10 injection wells located within the unit area. Applicant further seeks authority to inject into said pool at a surface injection pressure in excess of the Division established standard of 0.2 psi per foot of depth. Applicant further seeks to qualify this project as an "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" (Laws of 1992, Chapter 38, Sections 1 through 5). This project is located approximately 8 miles south of Maljamar, New Mexico. Upon the application of Mewbourne Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
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July 6, 1994

HAND-DELIVERED

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
State Land Office Building  
Santa Fe, New Mexico 87503

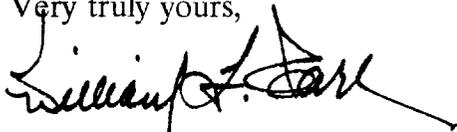
Re: Oil Conservation Division Case No. 11021:  
Application of Mewbourne Oil Company for Compulsory Pooling, Eddy  
County, New Mexico

Dear Mr. LeMay:

Mewbourne Oil Company respectfully requests that this matter which is currently set on the Division docket for the July 21, 1994 hearings be continued to the August 4, 1994 Examiner docket.

Your attention to this matter is appreciated.

Very truly yours,



WILLIAM F. CARR  
WFC:mlh

cc: Mr. Steve Cobb  
Mewbourne Oil Company  
500 W. Texas, Suite 1020  
Midland, TX 79701

