

CASE 9581: Application of Harvey E. Yates Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1980 feet from the North line and 1370 feet from the West line (Unit F) of Section 17, Township 16 South, Range 37 East, Northeast Lovington Pennsylvanian Pool, the S/2 NW/4 of said Section 17 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 4.5 miles east southeast of Lovington, New Mexico.

CASE 9582: Application of Strata Production Company for pool creation and special pool rules, or in the alternative for pool extension and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Bone Spring formation comprising Lots 2 and 7 of Section 4, Township 21 South, Range 32 East, and for the promulgation of special rules and regulations therefor including provisions for 80-acre spacing and proration units and designated well location requirements. IN THE ALTERNATIVE, the applicant seeks to extend the Hat Mesa-Bone Spring Pool to include Lots 1, 2, and 7 of said Section 4 and for the promulgation of special rules and regulations therefor including provisions for 80-acre spacing and proration units and designated well location requirements. Said area is located approximately 3.75 miles southeast of the junction of U.S. Highway 62/180 and Old New Mexico Highway No. 176.

CASE 9583: Application of Exxon Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the San Andres formation to the top of the Mississippian formation, excepting however the Undesignated Empire Abo Pool, underlying the following described acreage in Section 17, Township 18 South, Range 27 East, and in the following described manner:

the NW/4 SW/4 (Unit L) to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within the above-described vertical limits developed on 40-acre spacing;

the W/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 80-acre spacing;

the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre spacing; and,

the W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing (which presently includes but not necessarily limited to the Undesignated Scoggin Draw Atoka Gas Pool and the Undesignated Kaiser Ranch Strawn Gas Pool.)

All of the above-described units to be dedicated to a single well to be drilled at an unorthodox location 2095 feet from the South line and 992 feet from the West line of said Section 17.

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 6 miles south of Riverside, New Mexico.

CASE 9584: Application of Bran Oil Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in any and all formations developed on 160-acre spacing unit underlying the SE/4 of Section 32, Township 6 South, Range 26 East, (which includes but is not limited to the undesignated West Pecos Slope Abo Pool) for said unit to be dedicated to a well to be drilled at a standard location in said Section 32. 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 15 miles west northwest of Elkins, New Mexico.

CASE 9585: Application of Stevens Operating Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in any and all formations developed on 160-acre spacing units underlying the NE/4 of Section 32, Township 6 South, Range 26 East, (including but not limited to the undesignated West Pecos Slope Abo Pool) for said unit to be dedicated to a well to be drilled at a standard location in said Section 32. 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 15 miles west northwest of Elkins, New Mexico.

CASE 9568: (Continued from January 4, 1989, Examiner Hearing.)

Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1980 feet from the North line and 990 feet from the West line (Unit E) of Section 26, Township 19 South, Range 25 East, Undesignated Boyd-Morrow Gas Pool or Undesignated Cemetery-Morrow Gas Pool, the N/2 of said Section 26 to be dedicated to said well forming a standard 320-acre proration unit for either pool. Said location is approximately 5 miles west of Lakewood, New Mexico.

CASE 9163: (Reopened)

In the matter of Case No. 9163 being reopened pursuant to the provisions of Division Order No. R-8470, which promulgated temporary special rules and regulations for the West Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, including a provision for 80-acre spacing units. Operators in the subject pool may appear and show cause why the West Anderson Ranch-Wolfcamp Pool rules should not be rescinded at this time.

CASE 9586: Application of Enron Oil and Gas Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Cinta Roja-Morrow Gas Pool underlying all of Section 11, Township 24 South, Range 35 East, forming a standard 640-acre gas spacing and proration unit for said pool, 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 12 miles northwest of Jal, New Mexico.

CASE 9587: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Lea County, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Cherry Canyon production and designated as the South Antelope Ridge-Cherry Canyon Pool. The discovery well is the J. C. Williamson Curry State Well No. 2 located in Unit C of Section 22, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 22: NW/4

(b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Abo production and designated as the Stateline-Abo Pool. The discovery well is the Lanexco Inc. Crawford State Well No. 3 located in Unit D of Section 4, Township 24 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
Section 4: Lots 1, 2, 3, 4 and S/2 NW/4

(c) EXTEND the Cruz-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM
Section 30: NW/4

(d) EXTEND the Gladiola-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 37 EAST, NMPM
Section 34: NE/4

(e) EXTEND the Ojo Chiso-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM
Section 23: SE/4

(f) EXTEND the Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 14: SW/4

(g) EXTEND the Shipp-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 2: SW/4

(h) EXTEND the South Shoe Bar-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 31: SW/4

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 6: SW/4

(i) EXTEND the North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 16: E/2

Dockets Nos. 5-89 and 6-89 are tentatively set for February 15 and March 1, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 1, 1989

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Victor T. Lyon, Alternate Examiner:

CASE 9589: Application of Murphy Operating Corporation for expansion of unit area, Chaves and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks authority to expand the Haley Chaveroo San Andres Unit Area, authorized by Division Order No. R-8750, to include an additional 80 acres of State lands in Section 3, Township 8 South, Range 33 East, Chaveroo-San Andres Pool, Chaves County. Said unit area is located approximately 13 miles west of Milnesand, New Mexico.

CASE 9590: Application of Murphy Operating Corporation for area expansion of a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand the Haley Chaveroo San Andres Waterflood Project Area, authorized by Division Order No. R-8760, to include an additional 80 acres in Section 3, Township 8 South, Range 33 East, Chaveroo-San Andres Pool, Haley Chaveroo San Andres Unit Area. Said project area is located approximately 13 miles west of Milnesand, New Mexico.

CASE 9574: (Continued from January 18, 1989, Examiner Hearing.)

Application of Marshall Pipe & Supply for dual completion and salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Cook Well No. 1 located at a previously approved unorthodox gas well location (Order No. R-8618) 330 feet from the North line and 1980 feet from the East line (Unit B) of Section 34, Township 2 South, Range 29 East, by disposing of produced salt water down through tubing into the Undesignated Tule-Montoya Gas Pool in the perforated interval from 7104 feet to 7116 feet and continue producing gas from the Undesignated Tule-Pennsylvanian Gas Pool up the casing/tubing annulus. Said well is located approximately 3.5 miles east by north from the point common to Roosevelt, Chaves, and De Baca Counties.

CASE 9562: (Continued from January 4, 1989, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 following described acreage in Section 11, Township 20 South, Range 24 East, and in the following described manner:

the NE/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;

the N/2 NW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing;

the NW/4 to form a standard 160-acre oil or gas spacing and proration unit for the Undesignated Dagger Draw-Wolfcamp Gas Pool and Undesignated North Dagger Draw-Upper Pennsylvanian Oil Pool, and any and all formations and/or pools developed on 160-acre spacing;

the N/2 to form a standard 320-acre gas spacing and proration unit for the Undesignated Cemetary-Morrow Gas Pool and Undesignated Dagger Draw-Atoka Gas Pool and any and all formations and/or pools developed on 320-acre spacing.

All of the above-described units are to be dedicated to a well to be drilled at a standard location for each of the units.

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 18 miles southeast of Hope, New Mexico.

CASE 9583: (Readvertised)

Application of Exxon Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the San Andres formation to the top of the Mississippian formation, excepting however the Undesignated Empire Abo Pool, underlying the following described acreage in Section 17, Township 18 South, Range 27 East, and in the following described manner:

the NW/4 SW/4 (Unit L) to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within the above-described vertical limits developed on 40-acre spacing;

the W/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 80-acre spacing;

the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre spacing; and,

the W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing (which presently includes but not necessarily limited to the Undesignated Scoggin Draw Atoka Gas Pool and the Undesignated Kaiser Ranch Strawn Gas Pool.)

All of the above-described units to be dedicated to a single well to be drilled at an unorthodox location 2095 feet from the South line and 922 feet from the West line of said Section 17.

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 6 miles south of Riverside, New Mexico.

CASE 9582: (Continued from January 18, 1989, Examiner Hearing.)

Application of Strata Production Company for pool creation and special pool rules, or in the alternative for pool extension and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Bone Spring formation comprising Lots 2 and 7 of Section 4, Township 21 South, Range 32 East, and for the promulgation of special rules and regulations therefor including provisions for 80-acre spacing and proration units and designated well location requirements. IN THE ALTERNATIVE, the applicant seeks to extend the Hat Mesa-Bone Spring Pool to include Lots 1, 2, and 7 of said Section 4 and for the promulgation of special rules and regulations therefor including provisions for 80-acre spacing and proration units and designated well location requirements. Said area is located approximately 3.75 miles southeast of the junction of U.S. Highway 62/180 and Old New Mexico Highway No. 176.

CASE 9568: (Continued from January 18, 1989, Examiner Hearing.)

Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1980 feet from the North line and 990 feet from the West line (Unit E) of Section 26, Township 19 South, Range 25 East, Undesignated Boyd-Morrow Gas Pool or Undesignated Cemetery-Morrow Gas Pool, the N/2 of said Section 26 to be dedicated to said well forming a standard 320-acre proration unit for either pool. Said location is approximately 5 miles west of Lakewood, New Mexico.

CASE 9591: Application of Amerind Oil Company for compulsory pooling, directional drilling, and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order authorizing its re-entry into the plugged and abandoned State MTS Well No. 1 located 1830 feet from the South line and 660 feet from the East line (Unit I) of Section 2, Township 17 South, Range 37 East, wherein applicant proposes to deviate said well as to penetrate the Undesignated Shipp-Strawn Pool at an unorthodox bottomhole location 2310 feet from the South line and 330 feet from the East line of said Section 2. IN THE ALTERNATIVE, should re-entry into the aforementioned well be unsuccessful, the applicant seeks to drill a new well at the above-described unorthodox location in order to test the Strawn formation. In either instance, the applicant FURTHER SEEKS an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the E/2 SE/4 of said Section 2, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing (which presently includes the Undesignated Shipp-Strawn Pool). Said unit is to be dedicated to either the above-described State MTS Well No. 1 or to the new well to be drilled at said unorthodox location. Also to be considered will be the cost of either re-entering, directionally drilling and completing the State MTS Well No. 1 or the cost of drilling and completing the alternate well and, in either case, the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the unit and a charge for risk involved in either re-entering the State MTS Well No. 1 or in drilling the alternate well. Said unit is located approximately 4.25 miles north of Humble City, New Mexico.

CASE 9525: (Continued from January 4, 1989, Examiner Hearing.)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-6469, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-6469, as amended, to rescind approval for those non-standard proration units approved therein located in Township 24 North, Range 1 West and Township 26 North, Range 1 West. The center of said area is located approximately 13 miles southwest of Regina, New Mexico.

CASE 9553: (Continued from January 4, 1989, Examiner Hearing.)

Application of Benson-Montin-Greer Drilling Corporation for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Basin-Dakota Pool and West Puerto Chiquito-Mancos Oil Pool within the wellbore of its Canada Ojites Unit Well No. 22 located 1085 feet from the North line and 1860 feet from the West line (Unit F) of Section 20, Township 26 North, Range 1 West. Said well is located approximately 20 miles north of Regina, New Mexico.

Buckets Nos. 7-91 and 8-91 are tentatively set for March 7, 1991 and March 21, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 21, 1991

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Jim Morrow or Michael E. Stogner, Alternate Examiners:

~~REOPENED~~ (Reopened)

In the matter of Case 9582 being reopened pursuant to the provisions of Division Order No. R-8872, which order promulgated special rules and regulations for the Hat Mesa-Bone Spring Pool in Lea County, New Mexico, including provisions for 80-acre spacing and proration units and designated well location requirements. Operators in said pool may appear and show cause why the temporary rules for the Hat Mesa-Bone Spring Pool should not be rescinded.

CASE 10241: Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location in the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool to be drilled 560 feet from the South and East lines (Unit P) of Section 9, Township 20 South, Range 24 East, the E/2 of said Section 9 to be dedicated to said well forming a standard oil or gas spacing and proration unit. Said unit is located approximately 10 miles west of Seven Rivers, New Mexico.

CASE 10242: Application of Yates Energy 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 Delaware formation underlying the SW/4 SE/4 (Unit O) of Section 1, Township 18 South, Range 31 East, forming a 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing, which presently includes but is not necessarily limited to the Undesignated Shugart Pool, Undesignated Maljamar Pool, Undesignated Tamano-San Andres Pool, and Undesignated North Shugart-San Andres Pool. 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles southwest by south of Maljamar, New Mexico.

CASE 10243: Application of Yates Energy 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 Delaware formation underlying the NE/4 SW/4 (Unit K) of Section 1, Township 18 South, Range 31 East, forming a 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing, which presently includes but is not necessarily limited to the Undesignated Shugart Pool and North Shugart-San Andres Pool. 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles southwest by south of Maljamar, New Mexico.

CASE 10244: Application of Newbourne 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 following described acreage in Section 14, Township 17 South, Range 26 East and in the following manner: the N/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Kennedy Farms-Upper Pennsylvanian Gas Pool, Undesignated Kennedy Farms-Atoka Gas Pool, Undesignated Riverside-Atoka Gas Pool, and Undesignated Kennedy Farms-Morrow Gas Pool; the NW/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 160-acre gas spacing; and the SW/4 NW/4 of Section 14 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre oil spacing. Said units are to be dedicated to its Haldeman Well No. 1 to be drilled at a previously approved unorthodox Morrow gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 14 (Division Order No. R-9417). 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 2.5 miles east of Artesia, New Mexico.

CASE 10141: (Readvertised)

Application of Samuel Gary Jr. and Associates, Inc. for a gas reinjection/pressure maintenance project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas reinjection/pressure maintenance project in its San Isidro (Shallow) Unit Area located in Townships 20 and 21 North, Ranges 2 and 3 West, by the injection of gas into the Rio Puerco-Mancos Oil Pool through the perforated interval from approximately 3691 feet to 4127 feet in its San Isidro 13 Well No. 11 located 1980 feet from the South and West lines (Unit K) of Section 13, Township 20 South, Range 3 West. Said project area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 10245: Application of Conoco Inc. for pool creation, special pool rules, and contraction of the Blinebry Oil and Gas and Warren-Tubb Gas Pools, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil and gas pool for Blinebry and Tubb production comprising all or portions of Sections 22, 26, 27, 33, 34, and 35, Township 20 South, Range 38 East, to be designated the Warren Blinebry-Tubb Oil and Gas Pool, and the promulgation of special pool rules therefor, including a provision to allow for simultaneous dedication of pool acreage to both oil and gas wells, special gas allowable considerations, and any other provisions deemed necessary for such a pool. Applicant also seeks the concomitant contraction of the Blinebry Oil and Gas Pool and the Warren-Tubb Gas Pool and the creation of a new gas pool for Tubb production comprising the SE/4 of Section 23, SW/4 of Section 24, W/2 of Section 25 and the NW/4 of Section 36, Township 20 South, Range 38 East. Said area is located approximately 10 miles south of Hobbs, New Mexico.

- CASE 10246:** Application of Conoco Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Burger B-20 Well No. 4 to be drilled 2200 feet from the North line and 2450 feet from the West line (Unit F) of Section 20, Township 20 South, Range 38 East, Warren-McKee Pool. The SE/4 NW/4 of said Section 20 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is located approximately 8.5 miles north of Eunice, New Mexico.
- CASE 10247:** Application of Meridian Oil Inc. for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1140 feet from the South line and 330 feet from the East line (Unit P) of Section 3, Township 19 South, Range 30 East. The SE/4 SE/4 of said Section 3 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools to the base of the Grayburg formation spaced on 40-acre oil spacing and proration units, which presently includes but is not necessarily limited to the Undesignated Shugart Pool and Undesignated North Benson Queen Grayburg Pool. Said unit is located approximately 9.5 miles south by east of Loco Hills, New Mexico.
- CASE 10248:** Application of Pitts Energy Co. for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1500 feet from the South line and 1650 feet from the East line (Unit J) of Section 5, Township 12 South, Range 38 East, the NW/4 SE/4 of said Section 5 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing from the surface to the base of the Devonian formation, which presently includes but is not necessarily limited to the Gladiola-Wolfcamp Pool, Undesignated Gladiola-Mississippian Pool, and Gladiola-Devonian Pool. Said unit is located approximately 5 miles northeast of Gladiola, New Mexico.
- CASE 10249:** Application of Pacific Enterprises Oil Company (USA) for a non-standard gas proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the current Special Rules and Regulations for the McMillan-Morrow Gas Pool, as promulgated by Division Order No. R-2917, as amended, and to establish a non-standard 320-acre gas spacing and proration unit comprising the S/2 of Section 18, Township 20 South, Range 27 East, to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 18. Said unit is located approximately 9.5 miles south of the Old Illinois Camp.
- CASE 10250:** Application of Pacific Enterprises Oil Company (USA) for the rescission of special pool rules and for two non-standard 640-acre gas proration units or, in the alternative, to amend Division Order No. R-2917, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the rescission of the Special Rules and Regulations for the spacing and location of wells in the McMillan-Morrow Gas Pool, comprising Sections 13 and 24, Township 20 South, Range 26 East and Sections 7, 18, and 19, Township 20 South, Range 27 East, and seeks to have said pool governed by the provisions of General Rule 104.C.II(a) for gas pools of Pennsylvanian age. Further, the applicant requests the concomitant creation of two non-standard 640-acre gas spacing and proration units for the McMillan-Morrow Gas Pool in Section 13, Township 20 South, Range 26 East, for the existing Yates Drilling Company Pecos River Deep Unit located in Unit H of said Section 13 and in Section 19, Township 20 South, Range 27 East, for the existing Presidio Exploration Inc. State "I" Com Well No. 1 located in Unit F of Section 19, Township 20 South, Range 27 East. IN THE ALTERNATIVE, the applicant seeks to amend the current Rules and Regulations for said McMillan-Morrow Gas Pool, as promulgated by Division Order No. R-2917, as amended, to permit the optional drilling of an additional well on each 640-acre proration unit. Said pool is located approximately 5 miles south-southeast of Lakewood, New Mexico.
- CASE 10226:** (Continued from February 7, 1991, Examiner Hearing.)
Application of Bird Creek Resources for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the East Loving-Delaware Pool including a provision for a limiting gas-oil ratio of 5000 cubic feet of gas per barrel of oil. Said pool is located in Township 23 South, Range 28 East, being approximately 2 miles east of Loving, New Mexico.
- CASE 10227:** (Continued from February 7, 1991, Examiner Hearing.)
Application of Nearburg Producing 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 N/2 of Section 29, Township 18 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing which presently includes, but is not necessarily limited to, the Undesignated Penasco Draw San Andres-Yeso Associated Pool, Undesignated Penasco Draw-Permo Pennsylvanian Gas Pool, Undesignated Penasco Draw-Atoka Gas Pool, and Penasco Draw-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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles west of Dayton, New Mexico.
- CASE 10156:** (Continued from February 7, 1991, Examiner Hearing.)
Application of ARCO Oil and Gas 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 Ellenburger formation, underlying the S/2 of Section 32, Township 20 South, Range 37 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the costs 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 the drilling of said well. Said unit is located approximately 2 miles north-northwest of Oil Center, New Mexico.

CASE 10273: Application of Jack A. Cole for designation of a tight formation, San Juan, Rio Arriba, and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Gallup formation underlying portions of Townships 23 and 24 North, Ranges 6, 7, and 8 West, containing 81,920 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area surrounds the Lybrook and Counselor, New Mexico region.

CASE 10274: Application of Maralex Resources, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, NE/4 and E/2 NW/4 (N/2 equivalent) of Section 18, Township 30 North, Range 11 West, forming a standard 326.01-acre gas spacing and proration unit for said pool. Said well is to be dedicated to either the existing B.M. Keyes and M.N. Keys Trust Brimhall Well No. 1 to be recompleted up-hole from the Aztec-Pictured Cliffs Pool to said coal gas zone located at a standard coal gas well location 990 feet from the North and East lines (Unit A) of said Section 18 or, if said Brimwell Well No. 1 is not found to be mechanically sound, to a new well to be drilled at a standard coal gas well location in the NE/4 of Said Section 18. 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 1.5 miles south of the Aztec, New Mexico Municipal Airport.

CASE 10275: Application of Maralex Resources, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, NE/4, E/2 NW/4 of Section 19, Township 30 North, Range 11 West, forming a standard 327.10-acre gas spacing and proration unit for said pool. Said well is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 19. 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 2.5 miles south of the Aztec, New Mexico Municipal Airport.

CASE 10276: Application of Maralex Resources, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the E/2 of Section 24, Township 30 North, Range 12 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said well is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles east of Flora Vista, New Mexico.

CASE 10233: (Continued from March 7, 1991, Examiner Hearing.)

Application of Mobil Exploration & Producing Company for approval of salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the South Vacuum Devonian Pool, in the open hole interval from approximately 11,800 feet to 13,970 feet in its State Section 27 Well No. 1 located 660 feet from the North line and 1983 feet from the East line (Unit B) of Section 27, Township 18 South, Range 35 East. Said well is located approximately 5 miles east of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

~~CASE 9582~~ (Reopened and Continued)

In the matter of Case 9582 being reopened pursuant to the provisions of Division Order No. R-8872, which order promulgated special rules and regulations for the Hat Mesa-Bone Spring Pool in Lea County, New Mexico, including provisions for 80-acre spacing and proration units and designated well location requirements. Operators in said pool may appear and show cause why the temporary rules for the Hat Mesa-Bone Spring Pool should not be rescinded.

CASE 10277: In the matter of the hearing called by Oil Conservation Division on its own motion for an order creating, assigning a discovery allowable and extending certain pools in Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the Buffalo-Queen Pool. In addition, the discovery well for said Buffalo-Queen Pool, the Harvey E. Yates Company Atlantic 32 State Well No. 1 located in Unit C of Section 32, Township 18 South, Range 33 East, is entitled to and should receive a bonus discovery allowable in the amount of 22,100 barrels of oil to be assigned over a two year period. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 32: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the South Fowler-Tubb Pool. The discovery well is the Chevron USA Inc. Plains Knight Well No. 2 located in Unit M of Section 23, Township 24 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 23: SW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the South Shoe Bar-Wolfcamp Pool. The discovery well is the Mobil Exploration and Producing US Inc. Lovington Deep State Well No. 3 located in Unit G of Section 1, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 1: NE/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production and designated as the Young-Grayburg Pool. The discovery well is the Siete Oil & Gas Corporation (Inca Federal) Well No. 8 located in Unit F of Section 17, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 17: NW/4

- (e) EXTEND the Bilbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 27: S/2

- (f) EXTEND the South Corbin-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 19: SE/4

- (g) EXTEND the West Corbin-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 12: SE/4

- (h) EXTEND the South Corbin-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4
Section 27: SE/4

- (i) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 8: NW/4

- (j) EXTEND the Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 31: SW/4

- (k) EXTEND the East Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 14: E/2

- (l) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 27: E/2

- (m) EXTEND the Lane-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 36: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 17: S/2

- (o) EXTEND the Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 6: S/2

- (p) EXTEND the Quail Ridge-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 3: SW/4