

CASE 9639: (Continued from April 26, 1989, Examiner Hearing.)

Application of Meridian Oil, 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 (equivalent) of Section 23, Township 31 North, Range 10 West, forming a standard 313.78-acre gas spacing and proration unit for said pool, to be dedicated to its Atlantic "D" Com Well No. 205 to be drilled at a standard coal gas well location in the NW/4 of said Section 23. 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 location is approximately 9 miles northeast of Aztec, New Mexico.

CASE 9641: (Continued from April 26, 1989, Examiner Hearing.)

Application of Meridian Oil, 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 W/2 (equivalent) of Section 23, Township 31 North, Range 10 West, forming a standard 315.75-acre gas spacing and proration unit for said pool, to be dedicated to its Atlantic "B" Com Well No. 205 to be drilled at a standard coal gas well location in the SW/4 of said Section 23. 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 location is approximately 9 miles northeast of Aztec, New Mexico.

CASE 9666: Application of Bill Fenn, Inc. for an unorthodox gas well location and dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete a well in the Indian Basin-Upper Pennsylvanian Gas Pool and the Undesignated Indian Basin-Morrow Gas Pool at an unorthodox gas well location 825 feet from the North line and 1650 feet from the East line (Unit B) of Section 7, Township 22 South, Range 24 East, all of said Irregular Section 7 to be dedicated to the well forming a 617.68-acre gas spacing and proration unit for both pools. Said well location is approximately 4.5 miles south-southeast of the Marathon Oil Company Indian Basin Gas Plant.

CASE 9667: Application of Midland Phoenix Corporation for unorthodox gas well location and compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Pitchfork Ranch-Atoka Gas Pool and the Undesignated Pitchfork Ranch-Morrow Gas Pool underlying the E/2 of Section 34, Township 24 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for both pools, 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 East line (Unit O) of said Section 34. 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 3 miles west-southwest of the Junction of Old State Highway No. 128 and County Road No. 2.

CASE 9645: (Readvertised)

Application of BP Exploration, Inc., for compulsory pooling and directional drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Atoka formation underlying the SE/4 SW/4 of Section 30, Township 17 South, Range 38 East, 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 spacing (which presently includes but is not necessarily limited to the Undesignated Hobbs Channel-Bone Spring Pool, Undesignated Hobbs Channel-San Andres Pool, and the Undesignated Hobbs Channel-Wolfcamp Pool). Said unit is to be dedicated to a well to be directionally drilled from a surface location 1138 feet from the South line and 1633 feet from the West line of said Section 30 to a point within 100 feet of a standard bottomhole oil well location 660 feet from the South line and 1817 feet from the West line of said Section 30. 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 location is approximately 1.5 miles east of Humble City, New Mexico.

CASE 9668: Application of Nearburg Producing 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 990 feet from the North line and 1500 feet from the West line (Unit C) of Section 12, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, the N/2 NW/4 of said Section 12 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit. Said location is approximately 4 miles north of Humble City, New Mexico.

CASE 9669: Application of Enron Oil & Gas Company for compulsory pooling, unorthodox gas well location, and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Pitchfork Ranch-Morrow Gas Pool underlying the S/2 of Section 34, Township 24 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for said pool. Applicant further seeks an order pooling all mineral interests in the Undesignated Pitchfork Ranch-Atoka Gas Pool underlying the SE/4 of said Section 34, forming a non-standard 160-acre gas spacing and proration unit for said pool. Both aforementioned units are to be dedicated to a single well to be drilled

Dockets Nos. 16-89 and 17-89 are tentatively set for May 24 and June 7, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 10, 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 Michael E. Stogner, Examiner, or David R. Catanach, or Victor T. Lyon, Alternate Examiners:

ALLOWABLE: (1) Consideration of the allowable production of gas for June, 1989, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for June, 1989, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9653: (Readvertised)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Middle Creek State Unit Area comprising 15,680.73 acres, more or less, of State and Fee lands in a portion of Townships 8 and 9 South, Range 23 East. Said unit is located approximately 13 miles north-northwest of Roswell, New Mexico.

CASE 9654: (Readvertised) (This case will be dismissed.)

Application of Yates Petroleum Corporation for a unit agreement, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Todd Unit Area comprising 960 acres, more or less, of State and Federal lands in the E/2 of Section 17 and all of Section 16, Township 7 South, Range 35 East. Said unit is located approximately 5 miles north-northwest of Milnesand, New Mexico.

CASE 9282: (Continued & Readvertised) (This Case will be dismissed.)

Application of Mobil Producing Texas and New Mexico Inc. for the expansion of the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the West Lindrith Gallup-Dakota Oil Pool to include all of Sections 6, 7, 8, and 9, Township 24 North, Range 2 West. Said area is approximately one-half mile north of Lindrith, New Mexico.

CASE 9663: Application of The Petroleum Corporation of Delaware for downhole commingling, the amendment of Division Order No. R-7269, and the amendment of Division Administrative Order NSP-1290, Eddy County, New Mexico. Applicant, in the above-styled cause, and as operator of the Superior Federal Well No. 6 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 6, Township 20 South, Range 29 East, seeks to downhole commingle production from the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also seeks to permit such commingled production to be produced through tubing and the production of gas from the East Burton Flat-Strawn Gas Pool through the casing-tubing annulus of said well and that Division Order No. R-7269 be amended accordingly. Applicant further seeks to amend Division Administrative Order NSP-1290, dated April 28, 1982; which authorized a 299.84-acre, more or less, gas spacing and proration unit for the East Burton Flat-Strawn Gas Pool comprising Lots 6 and 7, the E/2 SW/4, and the SE/4 of said Section 6 for said well; to include both the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also requests that any such order issued in this case be made effective retroactively to May 1987. Said well is located approximately 7.5 miles northwest of the junction of New Mexico Highway No. 31 North and U.S. Highway 62/180.

CASE 9664: Application of Bass Enterprises Production 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 Queen formation or to a depth of 4,600 feet, whichever is deeper, underlying the NW/4 SE/4 of Section 21, Township 18 South, Range 35 East, forming a standard statewide 40-acre spacing and proration unit, said unit to be dedicated to its Reeves 21 State Well No. 2 to be drilled at a standard oil well location 1980 feet from the South line and 1980 feet from the East line (Unit J) of said Section 21. 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 well location is approximately one quarter mile west of Milepost No. 3 on Old State Highway 8.

CASE 9665: Application of Bass Enterprises Production 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 Undesignated Reeves-Queen Pool or to a depth of 4,600 feet, whichever is deeper, underlying the NE/4 SE/4 of Section 21, Township 18 South, Range 35 East, forming a standard statewide 40-acre oil spacing and proration unit, said unit to be dedicated to its Reeves 21 State Well No. 3 to be drilled at a standard oil well location 1980 feet from the South line and 780 feet from the East line (Unit I) of said Section 21. 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 well location is approximately 100 feet east of Milepost No. 3 on Old State Highway No. 8.

Examiner Hearing - Wednesday - June 7, 1989

CASE 9685: Application of McClellan Oil Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the North and East lines (Unit A) of Section 35, Township 9 South, Range 25 East, South Pecos Slope-Abo Gas Pool, the NE/4 of said Section 35 to be dedicated to the well forming a standard 160-acre gas spacing and proration unit for said pool. Said location is approximately 6.75 miles north by west of the junction of U.S. Highway 380 and New Mexico 409.

CASE 9663: (Continued from May 10, 1989, Examiner Hearing.) (This case will be continued to June 21, 1989.)

Application of The Petroleum Corporation of Delaware for downhole commingling, the amendment of Division Order No. R-7269, and the amendment of Division Administrative Order NSP-1290, Eddy County, New Mexico. Applicant, in the above-styled cause, and as operator of the Superior Federal Well No. 6 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 6, Township 20 South, Range 29 East, seeks to downhole commingle production from the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also seeks to permit such commingled production to be produced through tubing and the production of gas from the East Burton Flat-Strawn Gas Pool through the casing-tubing annulus of said well and that Division Order No. R-7269 be amended accordingly. Applicant further seeks to amend Division Administrative Order No. NSP-1290, dated April 28, 1982; which authorized a 299.84-acre, more or less, gas spacing and proration unit for the East Burton Flat-Strawn Gas Pool comprising Lots 6 and 7, the E/2 SW/4, and the SE/4 of said Section 6 for said well; to include both the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also requests that any such order issued in this case be made effective retroactively to May 1987. Said well is located approximately 7.5 miles northwest of the junction of New Mexico Highway No. 31 North and U.S. Highway 62/180.

CASE 9686: Application of Enron Oil and Gas Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the S/2 of Section 15, Township 24 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit in the Strawn formation, Undesignated Malaga-Atoka Gas Pool, Undesignated West Malaga-Atoka Gas Pool, and Undesignated Willow Lake-Atoka Gas Pool, said unit to be dedicated to its proposed Willow Lake "15" Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 15. 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 well location is approximately seven-eighths of a mile south of Malaga, New Mexico.

CASE 9639: (Continued from May 10, 1989, Examiner Hearing.)

Application of Meridian Oil, 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 (equivalent) of Section 23, Township 31 North, Range 10 West, forming a standard 313.78-acre gas spacing and proration unit for said pool, to be dedicated to its Atlantic "D" Com Well No. 205 to be drilled at a standard coal gas well location in the NW/4 of said Section 23. 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 location is approximately 9 miles northeast of Aztec, New Mexico.

CASE 9641: (Continued from May 10, 1989, Examiner Hearing.)

Application of Meridian Oil, 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 W/2 (equivalent) of Section 23, Township 31 North, Range 10 West, forming a standard 315.75-acre gas spacing and proration unit for said pool, to be dedicated to its Atlantic "B" Com Well No. 205 to be drilled at a standard coal gas well location in the SW/4 of said Section 23. 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 location is approximately 9 miles northeast of Aztec, New Mexico.

CASE 9682: (Continued from May 24, 1989, Examiner Hearing.)

Application of Kerr-McGee Corporation for statutory unitization, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the designated and Undesignated Chaveroo-San Andres Pool underlying 1280.37 acres, more or less, of State lands in all of Sections 1 and 2, Township 8 South, Range 33 East. Said unit is to be designated the K-M Chaveroo San Andres Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of the production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be

sets Nos. 19-89 and 20-89 are tentatively set for June 21 and July 12, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 7, 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 Michael E. Stogner, Examiner, or David R. Catanach, or Victor T. Lyon, Alternate Examiners:

- ALLOWABLE:**
- (1) Consideration of the allowable production of gas for July, 1989, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for July, 1989, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8413: (Continued and Readvertised.)

Application of Union Texas Petroleum for exemption from the New Mexico Natural Gas Pricing Act, (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota, Tapacito-Pictured Cliffs, Blanco-Mesaverde, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, and Aztec-Pictured Cliffs Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office.

CASE 9123: (Continued and Readvertised.)

Application of Curtis J. Little for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the SE/4 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1-E, located 1850 feet from the South line and 800 feet from the East line (Unit I) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit. Said well is located approximately 10.7 miles south by east of Farmington, New Mexico.

CASE 9124: (Continued and Readvertised.)

Application of Rocanville Corporation for a non-standard gas proration unit and for an exception to Rule 5(a)2(2) of Division Order No. R-8170, as amended, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the NE/4 of Section 14, Township 27 North, Range 13 West, Basin-Dakota Pool, to be dedicated to the applicant's Fairfield Well No. 1, located 1100 feet from the North line and 990 feet from the East line (Unit A) of said Section 14. Applicant further seeks an exception to Rule 5(a)2(2) of the General Rules for the Prorated Gas Pools of New Mexico as promulgated by Division Order No. R-8170, as amended, permitting the application of a full deliverability factor in the formula utilized in determining the allowable for said non-standard gas proration unit. Said well is located approximately 10.3 miles south by east of Farmington, New Mexico.

CASE 9675: (Continued from the May 24, 1989, 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 NW/4 of Section 20, Township 6 South, Range 25 East, 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 spacing (which includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool) and the NE/4 NW/4 of said Section 20 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on statewide 40-acre spacing. Both aforementioned units are to be dedicated to a well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of 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 well location is approximately 8.5 miles east of Milepost No. 137 of U.S. Highway 285.

Dockets Nos. 20-89 and 21-89 are tentatively set for July 12 and July 26, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 21, 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 Michael E. Stogner, or Victor T. Lyon, Alternate Examiners:

CASE 9688: Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Desana Unit Area comprising 1280 acres, more or less, of State and Federal lands in all or portions of Sections 8, 17, and 18, Township 18 South, Range 24 East. Said unit area is located approximately 8.5 miles east-southeast of Hope, New Mexico.

CASE 9689: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Four Lakes State Unit Area comprising 12,178.27 acres, more or less, of State lands in portions of Townships 11 and 12 South, Ranges 34 and 35 East. Said unit area is located approximately 10 miles northwest of Tatum, New Mexico.

CASE 9690: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Drover State Unit Area comprising 4880.00 acres, more or less, of State lands in all or portions of Sections 8, 9, 16, 17, 18, 20, 21, 22, 27, and 28, Township 13 South, Range 32 East. Said unit area is located approximately 15 miles south of Caprock, New Mexico.

CASE 9691: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Splits State Unit Area comprising 2,549.36 acres, more or less, of State lands in Sections 13 and 24, Township 22 South, Range 34 East and Sections 19 and 30, Township 22 South, Range 35 East. Said unit area is located approximately 15.5 miles west-southwest of Eunice, New Mexico.

CASE 9675: (Continued from the June 7, 1989, Examiner Bearing.)

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 NW/4 of Section 20, Township 6 South, Range 25 East, 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 spacing (which includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool) and the NE/4 NW/4 of said Section 20 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on statewide 40-acre spacing. Both aforementioned units are to be dedicated to a well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of 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 well location is approximately 8.5 miles east of Milepost No. 137 of U.S. Highway 285.

CASE 8413: (Continued from June 7, 1989, Examiner Bearing.)

Application of Union Texas Petroleum for exemption from the New Mexico Natural Gas Pricing Act. (NMPA). Applicant, in the above-styled cause, seeks the exemption from the NMPA of certain infill wells in the Basin-Dakota, Tapacito-Pictured Cliffs, Blanco-Mesaverde, Ballard-Pictured Cliffs, Fulcher Kutz-Pictured Cliffs, and Aztec-Pictured Cliffs Pools of Northwest New Mexico as provided in Section 62-7-5 NMSA, 1978. To be considered will be the granting of these exemptions from the date of the filing of the application. A list of wells for which exemptions are being sought may be obtained by contacting the Oil Conservation Division's Santa Fe office.

CASE 9109: (Continued from May 24, 1989, Examiner Bearing.)

In the matter of Case 9109 being reopened pursuant to the provisions of Division Orders Nos. R-6129-A and R-8446, whereby the Benson-Strawn Pool was redesignated as a gas pool and developed on statewide 320-acre gas spacing units, Eddy County. Operators in the subject pool may appear and show cause why the Benson-Strawn Gas Pool should not be redesignated as an oil pool and the special rules and regulations reinstated as promulgated by said Order No. R-6129-A.

CASE 9663: (Continued from June 7, 1989, Examiner Bearing.)

Application of The Petroleum Corporation of Delaware for downhole commingling, the amendment of Division Order No. R-7269, and the amendment of Division Administrative Order NSP-1290, Eddy County, New Mexico. Applicant, in the above-styled cause, and as operator of the Superior Federal Well No. 6 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 6, Township 20 South, Range 29 East, seeks to downhole commingle production from the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also seeks to permit such commingled production to be produced through tubing and the production of gas from the East Burton Flat-Strawn Gas Pool through the casing-tubing annulus of said well and that Division Order No. R-7269 be amended accordingly. Applicant

Examiner Hearing - Wednesday - June 21, 1989

further seeks to amend Division Administrative Order No. NSP-1290, dated April 28, 1982; which authorized a 299.84-acre, more or less, gas spacing and proration unit for the East Burton Flat-Strawn Gas Pool comprising Lots 6 and 7, the E/2 SW/4, and the SE/4 of said Section 6 for said well; to include both the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also requests that any such order issued in this case be made effective retroactively to May 1987. Said well is located approximately 7.5 miles northwest of the junction of New Mexico Highway No. 31 North and U.S. Highway 62/180.

CASE 9696: Application of Robert N. Enfield for compulsory pooling and a non-standard gas proration unit, 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 Morrow formation underlying Lots 3 and 4, the E/2 SW/4, and the SE/4 of Section 19, Township 18 South, Range 33 East, forming a 324.69-acre non-standard 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 cost of drilling and completing said well and the allocation of 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 9.5 miles west of the old Hobbs Army Air Force Auxiliary Airfield No. 4.

CASE 9663: (Continued from June 21, 1989, Examiner Hearing.)

Application of The Petroleum Corporation of Delaware for downhole commingling, the amendment of Division Order No. R-7269, and the amendment of Division Administrative Order NSP-1290, Eddy County, New Mexico. Applicant, in the above-styled cause, and as operator of the Superior Federal Well No. 6 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 6, Township 20 South, Range 29 East, seeks to downhole commingle production from the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also seeks to permit such commingled production to be produced through tubing and the production of gas from the East Burton Flat-Strawn Gas Pool through the casing-tubing annulus of said well and that Division Order No. R-7269 be amended accordingly. Applicant further seeks to amend Division Administrative Order No. NSP-1290, dated April 28, 1982; which authorized a 299.84-acre, more or less, gas spacing and proration unit for the East Burton Flat-Strawn Gas Pool comprising Lots 6 and 7, the E/2 SW/4, and the SE/4 of said Section 6 for said well; to include both the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also requests that any such order issued in this case be made effective retroactively to May 1987. Said well is located approximately 7.5 miles northwest of the junction of New Mexico Highway No. 31 North and U.S. Highway 62/180.

CASE 9697: (This Case will be continued to the August 17, 1989, Commission Hearing.)

Application of Santa Fe Exploration Company for amendment of the special rules and regulations for the North King Camp-Devonian Pool, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Rule 6 of the Special Rules and Regulations for the North King Camp-Devonian Pool as promulgated by Division Order No. R-8806 by establishing a special depth bracket allowable of 350 barrels of oil per day for the pool (pursuant to General Rule 505[d]). Said pool presently comprises the SE/4 of Section 9, Township 14 South, Range 29 East and is located approximately 17 miles east of Hagerman, New Mexico.

CASE 9698: Application of Yates Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Dragonfly State Unit Well No. 2 located 660 feet from the South line and 1650 feet from the East line (Unit O) of Section 31, Township 9 South, Range 27 East, Undesignated Poor Ranch-PrePermian Gas Pool, Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of said Section 31 to be dedicated to said well forming a standard 319.16-acre gas spacing and proration unit for said pool. Said well is located approximately 4.5 miles north of Mile Post 172.5 on U. S. Highway 380.

CASE 9699: 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 NW/4 of Section 15, 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 (which presently includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool), said unit to be dedicated to a well to be drilled at a previously approved unorthodox gas well location 1980 feet from the North line and 260 feet from the West line (Unit E) of said Section 15 (NSL-2535). Also to be considered will be the cost of drilling and completing said well and the allocation of 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 well location is approximately 13 miles north of mile marker number 168 on U. S. Highway 70.

CASE 9700: 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 Morrow formation underlying Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) of Section 2, Township 20 South, Range 24 East, forming a standard 319.04-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 Dagger Draw-Strawn Gas Pool, Undesignated Dagger Draw-Atoka Gas Pool, Undesignated North Cemetery-Atoka Gas Pool, Undesignated Cemetery-Morrow Gas Pool, and the Undesignated Hoag Tank-Morrow Gas Pool) and Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of said Section 2 to form a standard 159.64-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing (which presently includes but is not necessarily limited to the Undesignated Dagger Draw-Wolfcamp Gas Pool and the Undesignated North Dagger Draw-Upper Pennsylvanian Pool). Both aforementioned units are to be dedicated to a well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of 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 well location is approximately 8 miles west by north of Seven Rivers, New Mexico.

ats Nos. 22-89 and 23-89 are tentatively set for July 26 and August 9, 1989. Applications for hearing must be filed least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 12, 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 Michael E. Stogner, Examiner, or David R. Catanach, or Victor T. Lyon, Alternate Examiners:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for August, 1989, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
 - (2) Consideration of the allowable production of gas for August, 1989, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9689: (Continued from June 21, 1989, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Four Lakes State Unit Area comprising 12,178.27 acres, more or less, of State lands in portions of Townships 11 and 12 South, Ranges 34 and 35 East. Said unit area is located approximately 10 miles northwest of Tatum, New Mexico.

CASE 9691: (Continued from June 21, 1989, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Splits State Unit Area comprising 2,549.36 acres, more or less, of State lands in Sections 13 and 24, Township 22 South, Range 34 East and Sections 19 and 30, Township 22 South, Range 35 East. Said unit area is located approximately 15.5 miles west-southwest of Eunice, New Mexico.

CASE 9692: Application of Bettis, Boyle & Stovall for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 15, Township 24 South, Range 31 East, to test the Devonian formation, the W/2 of said Section 15 to be dedicated to said well. Said well is approximately 2.7 miles west-southwest of the Lea and Eddy County line on New Mexico State Highway 128.

CASE 9693: Application of Nearburg Producing 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 Strawn formation underlying the N/2 SW/4 of Section 1, Township 17 South, Range 37 East, 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 but is not necessarily limited to the Undesignated West Knowles-Drinkard Pool and the Shipp-Strawn Pool), said unit to be dedicated to a well to be drilled at a standard location 2130 feet from the South line and 660 feet from the West line (Unit L) of said Section 1. Also to be considered will be the cost of drilling and completing said well and the allocation of 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 well location is approximately 4.5 miles north of Humble City, New Mexico.

CASE 9694: Application of Oryx Energy Company, formerly Sun Exploration and Production Company, for an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying a certain 640-acre tract of land in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Section 12, Township 25 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit in said pool. Said unit is to be dedicated to the Mallon Oil Company Johnson Federal No. "12" Well No. 5 located 1650 feet from the North line and 960 feet from the West line (Unit E) of said Section 12, which is presently completed in and producing from the Gavilan-Mancos Oil Pool and dedicated to a previously approved 320-acre non-standard oil spacing and proration unit (see Rule 2(a) of the Special Rules and Regulations for the Gavilan-Mancos Oil Pool as promulgated by Division Order No. R-7407, as amended) comprising the W/2 of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of cost thereof as well as actual operating costs and charges for supervision. Applicant further requests that Mallon Oil Company remain as operator for the well and that the effective date of any order issued in the case by July 12, 1989, the date of the hearing. Said well is located approximately 16 miles north by west of Regina, New Mexico.

Case 9695: Application of Yates Energy Corporation for an unorthodox gas well location and a non-standard gas proration unit, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the South line and 1300 feet from the West line (Unit M) of Section 18, Township 9 South, Range 27 East, Foor Ranch-PrePermian Gas Pool, Lots 1 through 4 and the E/2 W/2 of said Section 18 to be dedicated to the well forming a non-standard 325.04-acre gas spacing and proration unit. Said location is approximately 6 miles south-southwest of the Campbell Railroad Switch.

CASE 9726: Application of Haylan Oil 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 Ellenberger formation underlying the SW/4 of Section 25, Township 19 South, Ranch 38 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing and the NE/4 SW/4 of said Section 25 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing (which presently includes but is not necessarily limited to the Undesignated House-Blinbry Pool, the Undesignated North House-Tubb Pool, the Undesignated Nadine Drinkard-Abo Pool and the Undesignated East Nadine-Drinkard Pool). Both aforementioned units are to be dedicated to a single well to be drilled at a standard location in the NE/4 SW/4 (Unit K) of said Section 25. 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 well location is approximately 1.3 miles east-northeast of Nadine, New Mexico.

CASE 9663: (Continued from July 26, 1989, Examiner Hearing.)

Application of The Petroleum Corporation of Delaware for downhole commingling, the amendment of Division Order No. R-7269, and the amendment of Division Administrative Order NSP-1290, Eddy County, New Mexico. Applicant, in the above-styled cause, and as operator of the Superior Federal Well No. 6 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 6, Township 20 South, Range 29 East, seeks to downhole commingle production from the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also seeks to permit such commingled production to be produced through tubing and the production of gas from the East Burton Flat-Strawn Gas Pool through the casing-tubing annulus of said well and that Division Order No. R-7269 be amended accordingly. Applicant further seeks to amend Division Administrative Order No. NSP-1290, dated April 28, 1982; which authorized a 299.84-acre, more or less, gas spacing and proration unit for the East Burton Flat-Strawn Gas Pool comprising Lots 6 and 7, the E/2 SW/4, and the SE/4 of said Section 6 for said well; to include both the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also requests that any such order issued in this case be made effective retroactively to May 1987. Said well is located approximately 7.5 miles northwest of the junction of New Mexico Highway No. 31 North and U.S. Highway 62/180.

CASE 9710: (Continued from July 26, 1989, Examiner Hearing.)

Application of Mallon Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the Brushy Canyon formation in the perforated interval from approximately 5593 feet to 5636 feet in its Amoco Federal Well No. 1 located 1665 feet from the South line and 330 feet from the East line (Unit I) of Section 27, Township 26 South, Range 29 East, Brushy Draw-Delaware Pool. Said well is located approximately 3/4 of a mile north of Mile Corner No. 53 located on the New Mexico/Texas Stateline.

CASE 9727: Application of Mallon Oil Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the Cherry Canyon formation in the perforated intervals from approximately 3856 feet to 3886 feet and from 3904 feet to 3940 feet in its Amoco Federal Well No. 1 located 1665 feet from the South line and 330 feet from the East line (Unit I) of Section 27, Township 26 South, Range 29 East, Brushy Draw-Delaware Pool. Said well is located approximately 3/4 of a mile north of Mile Corner No. 53 located on the New Mexico/Texas Stateline.

CASE 9728: Application of Conoco Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 660 feet from the South Line and 330 feet from the East line (Unit P) of Section 34, Township 16 South, Range 37 East, Undesignated Casey-Strawn Pool or Undesignated Shipp-Strawn Pool, the S/2 SE/4 of said Section 34 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for both pools. This location is approximately 5 miles north by west of Humble City, New Mexico.

CASE 9707: (Continued from August 9, 1989, Examiner Hearing.)

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 for an unorthodox coal gas well location for its Heizer Well No. 100 to be drilled 1430 feet from the North line and 2250 feet from the East line (Unit G) of Section 15, Township 32 North, Range 10 West, Basin-Fruitland Coal (Gas) Pool, Lots 1, 2, 3, and 4 and the W/2 E/2 (E/2 equivalent) of said Section 15 to be dedicated to said well forming a standard 311.43-acre gas spacing and proration unit for said pool. Said location is approximately 1 mile south of the Colorado/New Mexico Stateline on U.S. Highway 550.

CASE 9641: (Continued from June 7, 1989, Examiner Hearing.)

Application of Meridian Oil, 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 W/2 (equivalent) of Section 23, Township 31 North, Range 10 West, forming a standard 315.75-acre gas spacing and proration unit for said pool, to be dedicated to its Atlantic "B" Com Well No. 205 to be drilled at a standard coal gas well location in the SW/4 of said Section 23. 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 location is approximately 9 miles northeast of Aztec, New Mexico.

Dockets Nos. 26-89 and 27-89 are tentatively set for September 6 and September 20, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 23, 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 Michael E. Stogner, or Victor T. Lyon, Alternate Examiners:

CASE 9724: Application of Nearburg Producing 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 for its Boys Ranch Well No. 1 to be drilled 1100 feet from the North line and 880 feet from the East line (Unit A) of Section 13, Township 17 South, Range 37 East, South Humble City-Strawn Pool, the E/2 NE/4 of said Section 13 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. The proposed well site is located approximately 3 miles north by east of Humble City, New Mexico.

CASE 9714: (Continued from August 9, 1989, Examiner Hearing.)

Application of Union Oil Company of California 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 Morrow Formation underlying Lots 1 through 5, the SE/4 NW/4, and the S/2 NE/4 (N/2 equivalent) of Section 6, Township 20 South, Range 34 East, forming a standard 322.03-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing (which presently includes but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool and the Undesignated Tesa-Pennsylvanian Gas Pool), 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 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 on the north side of U.S. Highway 62/180 at Mile Post No. 75.

CASE 9725: Application of Yates Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Red Rock "NB" Federal Well No. 2 to be drilled 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 28, Township 6 South, Range 25 East, Pecos Slope-Abo Gas Pool, the SW/4 of said Section 25 to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said pool. Said well location is approximately 13.25 miles north by west of the Pecos River Bridge on U.S. Highway 70.

CASE 9698: (Continued from August 9, 1989, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Dragonfly State Unit Well No. 2 located 660 feet from the South line and 1650 feet from the East line (Unit O) of Section 31, Township 9 South, Range 27 East, Undesignated Poor Ranch-PrePermian Gas Pool, Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of said Section 31 to be dedicated to said well forming a standard 319.16-acre gas spacing and proration unit for said pool. Said well is approximately 4.5 miles north of Mile Post 172.5 on U. S. Highway 380.

CASE 9700: (Continued from August 9 1989, 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 Morrow formation underlying Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) of Section 2, Township 20 South, Range 24 East, forming a standard 319.04-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 Dagger Draw-Strawn Gas Pool, Undesignated Dagger Draw-Atoka Gas Pool, Undesignated North Cemetery-Atoka Gas Pool, Undesignated Cemetery-Morrow Gas Pool, and the Undesignated Hoag Tank-Morrow Gas Pool) and Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of said Section 2 to form a standard 159.64-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing (which presently includes but is not necessarily limited to the Undesignated Dagger Draw-Wolfcamp Gas Pool and the Undesignated North Dagger Draw-Upper Pennsylvanian Pool). Both aforementioned units are to be dedicated to a well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of 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 well location is approximately 8 miles west by north of Seven Rivers, New Mexico.

Dockets Nos. 23-89 and 24-89 are tentatively set for August 9 and August 23, 1989. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 26, 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 Michael E. Stogner, or Victor T. Lyon, Alternate Examiners:

CASE 9689: (Continued from July 12, 1989, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Four Lakes State Unit Area comprising 12,178.27 acres, more or less, of State lands in portions of Townships 11 and 12 South, Ranges 34 and 35 East. Said unit area is located approximately 10 miles northwest of Tatum, New Mexico.

CASE 9698: (Continued from July 12, 1989, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Dragonfly State Unit Well No. 2 located 660 feet from the South line and 1650 feet from the East line (Unit O) of Section 31, Township 9 South, Range 27 East, Undesignated Poor Ranch-PrePermian Gas Pool. Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of said Section 31 to be dedicated to said well forming a standard 319.16-acre gas spacing and proration unit for said pool. Said well is approximately 4.5 miles north of Mile Post 172.5 on U. S. Highway 380.

CASE 9700: (Continued from July 12, 1989, 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 Morrow formation underlying Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) of Section 2, Township 20 South, Range 24 East, forming a standard 319.04-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 Dagger Draw-Strawn Gas Pool, Undesignated Dagger Draw-Atoka Gas Pool, Undesignated North Cemetery-Atoka Gas Pool, Undesignated Cemetery-Morrow Gas Pool, and the Undesignated Hoag Tank-Morrow Gas Pool) and Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of said Section 2 to form a standard 159.64-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing (which presently includes but is not necessarily limited to the Undesignated Dagger Draw-Wolfcamp Gas Pool and the Undesignated North Dagger Draw-Upper Pennsylvanian Pool). Both aforementioned units are to be dedicated to a well to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of 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 well location is approximately 8 miles west by north of Seven Rivers, New Mexico.

CASE 9175: (Reopened)

In the matter of Case 9175 being reopened pursuant to the provisions of Division Order No. R-8476, which promulgated temporary special rules and regulations for the North Hume-Wolfcamp Pool, Lea County, New Mexico, including a provision for 80-acre spacing units. Operators in the subject pool may appear and show cause why the temporary special pool rules for the North Hume-Wolfcamp Pool should not be developed on 40-acre spacing units.

CASE 9354: (Reopened)

In the matter of Case 9354 being reopened pursuant to the provisions of Division Order Nos. R-8476 and R-8476-A, which promulgated temporary special rules and regulations for the North Hume-Wolfcamp Pool, Lea County, New Mexico, including a provision for 160-acre spacing units. Operators in the subject pool may appear and show cause why the North Hume-Wolfcamp Pool should not be developed on less than 160-acre spacing.

CASE 9663: (Continued from July 12, 1989, Examiner Hearing.)

Application of The Petroleum Corporation of Delaware for downhole commingling, the amendment of Division Order No. R-7269, and the amendment of Division Administrative Order NSP-1290, Eddy County, New Mexico. Applicant, in the above-styled cause, and as operator of the Superior Federal Well No. 6 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 6, Township 20 South, Range 29 East, seeks to downhole commingle production from the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also seeks to permit such commingled production to be produced through tubing and the production of gas from the East Burton Flat-Strawn Gas Pool through the casing-tubing annulus of said well and that Division Order No. R-7269 be amended accordingly. Applicant further seeks to amend Division Administrative Order No. NSP-1290, dated April 28, 1982; which authorized a 299.84-acre, more or less, gas spacing and proration unit for the East Burton Flat-Strawn

authorized a 299-84-acre, more or less, gas spacing and proration unit for the East Burton Flat-Strawn Gas Pool comprising Lots 6 and 7, the E/2 SW/4, and the SE/4 of said Section 6 for said well; to include both the Undesignated East Burton Flat-Atoka Gas Pool and the East Burton Flat-Morrow Gas Pool. Applicant also requests that any such order issued in this case be made effective retroactively to May 1987. Said well is located approximately 7.5 miles northwest of the junction of New Mexico Highway No. 31 North and U.S. Highway 62/180.

CASE 9702: Application of Santa Fe Exploration 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 660 feet from the South and West lines (Unit M) of Section 36, Township 17 South, Range 26 East, to test the Morrow formation, the S/2 of said Section 36 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit in the Undesignated Atoka-Pennsylvanian Gas Pool, Undesignated Red Lake-Pennsylvanian Gas Pool, or Undesignated Kennedy Farms-Morrow Gas Pool. Said well is approximately 6.25 miles southeast of Artesia, New Mexico.

CASE 9692: (Continued from July 12, 1989, Examiner Hearing.)

Application of Bettis, Boyle & Stovall for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 15, Township 24 South, Range 31 East, to test the Devonian formation, the W/2 of said Section 15 to be dedicated to said well. Said well is approximately 2.7 miles west-southwest of the Lea and Eddy County line on New Mexico State Highway 128.

CASE 9703: Application of Meridian Oil, Inc. for exemption from the New Mexico Natural Gas Pricing Act (NMPPA), San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the exemption from the NMPPA of certain infill wells in the Basin-Dakota and Blanco-Mesaverde Pools as provided in Section 62-7-5 NMSA, 1978. A list of wells for which exemptions are being sought may be obtained by contacting the Santa Fe office of the Oil Conservation Division.

CASE 9704: Application of Union Oil Company of California for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1800 feet from the South line and 2060 feet from the West line (Unit K) of Section 20, Township 19 South, Range 33 East, for any and all formations and/or pools developed on 320-acre spacing from the surface to the base of the Morrow formation which includes but is not necessarily limited to the Undesignated Buffalo-Pennsylvanian Gas Pool and the Gem-Morrow Gas Pool, the W/2 of said Section 20 to be dedicated to said well. Said well location is approximately 5.25 miles north of Mile Post No. 70.5 on U.S. Highway 62/180.

CASE 9705: Application of Union Oil Company of California for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 460 feet from the North line and 1980 feet from the East line (Unit B) of Section 29, Township 19 South, Range 33 East, to test the Morrow formation, the N/2 of said Section 29 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for the Undesignated Gem-Morrow Gas Pool. Said well location is approximately 4.5 miles north of Mile Post No. 72 on U.S. Highway 62/180.

CASE 9706: Application of Bahlburg Exploration for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 900 feet from the South line and 50 feet from the West line (Unit M) of Section 25, Township 13 South, Range 37 East, Undesignated King-Devonian Pool, the SW/4 SW/4 of said Section 25 to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said well location is approximately 11.5 miles southeast by east of Tatum, New Mexico.

CASE 9707: 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 for an unorthodox coal gas well location for its Heizer Well No. 100 to be drilled 1430 feet from the North line and 2250 feet from the East line (Unit G) of Section 15, Township 32 North, Range 10 West, Basin-Fruitland Coal (Gas) Pool, Lots 1, 2, 3, and 4 and the W/2 E/2 (E/2 equivalent) of said Section 15 to be dedicated to said well forming a standard 311.43-acre gas spacing and proration unit for said pool. Said location is approximately 1 mile south of the Colorado/New Mexico Stateline on U.S. Highway 550.

CASE 9708: Application of Phillips Petroleum Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the Yates formation in the perforated interval from approximately 3,509 feet to 3,629 feet in its Cruces Well No. 3 located 330 feet from the South line and 1655 feet from the West line (Unit N) of Section 26, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool. Said well is located approximately 4.5 miles south of Mile Post No. 77 on U.S. Highway 62/180.

CASE 9709: Application of Pacific Enterprises Oil Company for compulsory pooling, Lea 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 Lots 1 thru 5, the SE/4 NW/4, and the S/2 NE/4 (N/2 equivalent) of Section 6, Township 20 South, Range 34 East, forming a 322.03-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing (which presently includes but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool and the Undesignated Teas-Pennsylvanian Gas Pool). Applicant also seeks an order pooling all mineral interests