

Dockets Nos. 4-91 and 5-91 are tentatively set for February 7, 1991 and February 21, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 24, 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 Jim Morrow, Examiner, or Michael E. Stogner or David R. Catanach, Alternate Examiners:

CASE 10195: (Continued from January 10, 1991, Examiner Hearing.)

Application of Koch Exploration Company 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, 3, 4, 8 and 9, the NW/4 NE/4, and the S/2 NE/4 (E/2 equivalent) of Section 27, Township 32 North, Range 9 West, to form a 312.49-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its Federal Blancett Com C Well No. 1 to be drilled at a standard coal gas well location in the NE/4 equivalent of said Section 27. 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 south of Mile Post No. 260 on the New Mexico/Colorado Stateline.

CASE 10216: Application of Cross Timbers Oil Company to amend Division Order No. R-6849, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6849 to increase the gas-oil ratio for the West Nadine-Blinebry Pool to 10,000 cubic feet of gas per barrel of oil produced. Applicant further seeks to cancel overproduction of oil from said West Nadine-Blinebry Pool from its McAllister Well No. 4 located in the SE/4 SW/4 (Unit N) of Section 5, Township 20 South, Range 38 East. Said well is located approximately 4 miles east-southeast of Nadine, New Mexico.

CASE 10141: (Continued from January 10, 1991, Examiner Hearing.)

Application of Samuel Gary Jr. & 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 open hole interval from approximately 3793 feet to 4188 feet in its San Isidro 11 Well No. 16 located 660 feet from the South line and 630 feet from the East line (Unit P) of Section 11, Township 20 North, Range 3 West. Said project area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 10179: (Continued from January 10, 1991, Examiner Hearing.)

Application of Stevens Operating Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation, Twin Lakes -Devonian Pool, in the perforated intervals from 7211 feet to 7405 feet (7211 feet to 7245 feet and 7392 feet to 7405 feet) in its O'Brien "C" Well No. 9 located 1870 feet from the North line and 80 feet from the West line (Unit E) of Section 1, Township 9 South, Range 28 East. Said well is located approximately 18 miles east of the Bitter Lake National Wildlife Refuge.

CASE 10217: 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 NW/4 (Unit E) of Section 12, Township 18 South, Range 31 East, to form 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 which presently includes, but is not necessarily limited to the Undesignated Tamano-Bone Spring Pool and Shugart 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 2.5 miles south of mile marker No. 3 on New Mexico State Highway 529.

CASE 10218: Application of Newbourne Oil Company to amend Division Order No. R-9389, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend the compulsory pooling provisions of Division Order No. R-9389 to include all possible spacing and proration units for a well presently being drilled in the SE/4 SW/4 of Section 1, Township 18 South, Range 27 East; the applicant therefore requests that the following units within the pooled interval be included as a part of said Order No. R-9389: the SW/4 forming a standard 160-acre gas spacing and proration unit; the S/2 SW/4 or E/2 SW/4 to form an 80-acre oil spacing and proration unit; and the SE/4 SW/4 to form a standard 40-acre oil spacing and proration unit. Said area is located approximately 5.5 miles southeast of Riverside, New Mexico.

CASE 10185: (Readvertised)

Application of Avon Energy Corporation for an unorthodox oil well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Turner "B" Well No. 100 to be drilled 150 feet from the South line and 50 feet from the West line (Unit M) of Section 20, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Turner "B" Grayburg-Jackson Waterflood Project. Said well is to be simultaneously dedicated to an existing 40-acre oil spacing and proration unit comprising the SW/4 SW/4 of said Section 20 to which is currently dedicated the Turner "B" Well No. 43 located at a standard oil well location 660 feet from the South line and 560 feet from the West line (Unit M) of said Section 20. Said unit is located approximately 8.5 miles southwest of Maljamar, New Mexico.

CASE 10187: (Readvertised)

Application of Avon Energy Corporation for an unorthodox oil well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Turner "B" Well No. 99 to be drilled 2590 feet from the South line and 100 feet from the West line (Unit L) of Section 29, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Turner "B" Grayburg-Jackson Waterflood Project. Said well is to be simultaneously dedicated to an existing 40-acre oil spacing and proration unit comprising the NW/4 SW/4 (Unit L) of said Section 29 to which is currently dedicated the Turner "B" Well Nos. 80 and 86 both located at previously approved unorthodox oil well locations in the NW/4 SW/4 of said Section 29. Said unit is located approximately 8.75 miles southwest of Maljamar, New Mexico.

CASE 10182: (Continued from January 10, 1991, 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 of an unorthodox coal gas well location for its existing Angel Peak "B" well No. 44 located 485 feet from the North line and 2310 feet from the West line (Unit C) of Section 24, Township 28 North, Range 11 West, Basin-Fruitland Coal Gas Pool, the N/2 of said Section 24 to be dedicated to the subject well forming a standard 320-acre gas spacing and proration unit for said pool. Said well is located approximately 4.5 miles south-southeast of Bloomfield, New Mexico.

CASE 10183: (Continued from January 10, 1991, 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 of an unorthodox coal gas well location for the existing Union Texas Petroleum Corporation Angel Peak "B" Well No. 31 located 990 feet from the North line and 1650 feet from the west line (Unit C) of Section 25, Township 28 North, Range 11 West, the W/2 of said Section 25 to be dedicated to the subject well forming a standard 320-acre gas spacing and proration unit for said pool. Said well is located approximately 5.5 miles south by east of Bloomfield, New Mexico.

CASE 10211: (Continued from January 10, 1991, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 Wolfcamp formation underlying the following described acreage in Section 8, Township 18 South, Range 33 East, and in the following manner: the W/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 within said vertical extent, which presently includes but is not necessarily limited to the Undesignated South Corbin-Wolfcamp Pool; and the SW/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 within said vertical extent, which presently includes but is not necessarily limited to the Undesignated West Corbin-Delaware Pool, Undesignated Central Corbin-Queen Pool, Undesignated West Corbin-San Andres Pool, and Undesignated Corbin-Bone Spring Pool. Said units are to be dedicated to a single well to be drilled at a standard oil well location 1980 feet from the North line and 660 feet from the West line of said Section 8. 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 7.5 miles southeast by south of Maljamar, New Mexico

CASE 10219: Application of Hanley Petroleum Inc. 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 Wolfcamp formation underlying the following described acreage in Section 8, Township 18 South, Range 33 East, and in the following manner: the W/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 within said vertical extent, which presently includes but is not necessarily limited to the Undesignated South Corbin-Wolfcamp Pool; and the SW/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 within said vertical extent, which presently includes but is not necessarily limited to the Undesignated West Corbin-Delaware Pool, Undesignated Central Corbin-Queen Pool, Undesignated West Corbin-San Andres Pool, and Undesignated Corbin-Bone Spring Pool. Said units are to be dedicated to a single well to be drilled at a standard oil well location 1980 feet from the North line and 660 feet from the West line of said Section 8. 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 7.5 miles southeast by south of Maljamar, New Mexico.

CASE 10220: Application of Conoco Inc. to amend Division Order No. R-6906 by expanding, contracting and redesignating its Conoco-Southland Blinebry Cooperative Waterflood Project, extend the vertical limits and to include additional injection wells into said project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6906, which authorized the Conoco-Southland Blinebry Cooperative Waterflood Project by the injection of water into the Blinebry Oil and Gas Pool through nine wells located in Sections 33 and 34, Township 20 South, Range 38 East and in Sections 3 and 4, Township 21 South, Range 38 East. Applicant proposes to redesignate said project and reestablish its area to include the S/2 S/2 of Section 22, all of Sections 26, 27, 33 and 34, and the N/2 N/2 of Section 35, Township 20 South, Range 38 East. Applicant also seeks to extend the vertical limits of said project to include both the Blinebry and Tubb formations. Further, the addition of 20 injection wells into said project area will be considered. Said area is located approximately 7.5 miles north of Eunice, New Mexico.

CASE 10251: Application of Kaiser-Francis Oil Company for a pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of gas from the Delaware formation comprising the SE/4 of Section 8, Township 21 South, Range 26 East. Said area is located approximately 7 miles northwest of Carlsbad, New Mexico.

CASE 10252: Application of Amerada Hess Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its proposed North Monument Grayburg/San Andres Unit Area (Division Case No. 10253) located in portions of Townships 19 and 20 South, Ranges 36 and 37 East, by the injection of water into the Eunice Monument Grayburg-San Andres Pool through 108 certain wells to either be recompleted or converted from producing or abandoned wells to water injection wells. Said project area surrounds Monument, New Mexico.

CASE 10253: Application of Amerada Hess Corporation for statutory unitization, Lea 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 Eunice Monument-Grayburg-San Andres Pool, underlying 13,385 acres, more or less, of Federal, State and Fee lands comprising portions of Townships 19 and 20 South, Ranges 36 and 37 East. Said unit is to be designated the North Monument Grayburg/San Andres Unit. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital 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 necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any non-consenting working interest owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said Unit Area surrounds Monument, New Mexico.

CASE 9529: (Reopened - Continued from January 24, 1991, Examiner Hearing.)

In the matter of Case 9529 being reopened pursuant to the provisions of Division Order No. R-8806, which order created the North King Camp-Devonian Pool in Chaves County, New Mexico, and promulgated temporary special rules and regulations therefor. Operators in said pool may appear and show cause why the North King Camp-Devonian Pool temporary rules should not be rescinded. Further, at the request of Stevens Operating Corporation, appropriate spacing for said pool and other related matters which are consistent with Commission Order No. R-9035 shall be considered.

CASE 10211: (Continued from February 7, 1991, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 Wolfcamp formation underlying the following described acreage in Section 8, Township 18 South, Range 33 East, and in the following manner: the W/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 within said vertical extent, which presently includes but is not necessarily limited to the Undesignated South Corbin-Wolfcamp Pool; and the SW/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 within said vertical extent, which presently includes but is not necessarily limited to the Undesignated West Corbin-Delaware Pool, Undesignated Central Corbin-Queen Pool, Undesignated West Corbin-San Andres Pool, and Undesignated Corbin-Bone Spring Pool. Said units are to be dedicated to a single well to be drilled at a standard oil well location 1980 feet from the North line and 660 feet from the West line of said Section 8. 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 7.5 miles southeast by south of Maljamar, New Mexico

~~CASE 9420~~ (Continued from February 7, 1991, Examiner Hearing.)

Application of Hanley Petroleum Inc. 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 Wolfcamp formation underlying the following described acreage in Section 8, Township 18 South, Range 33 East, and in the following manner: the W/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 within said vertical extent, which presently includes but is not necessarily limited to the Undesignated South Corbin-Wolfcamp Pool; and the SW/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 within said vertical extent, which presently includes but is not necessarily limited to the Undesignated West Corbin-Delaware Pool, Undesignated Central Corbin-Queen Pool, Undesignated West Corbin-San Andres Pool, and Undesignated Corbin-Bone Spring Pool. Said units are to be dedicated to a single well to be drilled at a standard oil well location 1980 feet from the North line and 660 feet from the West line of said Section 8. 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 7.5 miles southeast by south of Maljamar, New Mexico.

CASE 9420: (Reopened and Readvertised)

In the matter of Case 9420 being reopened pursuant to the provisions of Division Order No. R-8768, which order created the Basin-Fruitland Coal Gas Pool in San Juan County and promulgated temporary special rules and regulations therefor. Operators in said pool may appear and present evidence and testimony relative to the determination of permanent rules and regulations for the Basin-Fruitland Coal Gas Pool.

CASE 9362: (Reopened and Readvertised)

In the matter of Case 9362 being reopened pursuant to the provisions of Division Order No. R-7588-B, which order expanded the vertical limits of the Cedar Hill-Fruitland Basal Coal Pool in San Juan County. Operators in said pool may appear and show cause why the temporary extension of the Cedar Hill-Fruitland Basal Coal Pool should not be rescinded.

DOCKET NO. 6-91

DOCKET: COMMISSION HEARING - THURSDAY - FEBRUARY 28, 1991

9:00 A.M. - HARRY HALL, EDUCATION BUILDING
SANTA FE, NEW MEXICO

(The Land Commissioner's designee for this hearing will be Gary Carlson)

CASE 10254: In the matter of the hearing called by the Oil Conservation Division on its own motion to accept nominations and other evidence and information to assist in determining April through September, 1991 gas allowables for the prorated gas pools in New Mexico. Fourteen of the prorated gas pools are in Lea, Eddy, and Chaves Counties in Southeast New Mexico and four pools are in San Juan, Rio Arriba, and Sandoval Counties in Northwest New Mexico. Amendments to the Gas Proration Rules approved by Commission Order No. R-8170-H in December 1990 provide for allowables to be established for 6-month allocation periods beginning in April and October of each year. The April through September, 1991 allocation period will be the first under the amended rules. Information concerning the amended rules was contained in OCD Memorandum dated January 3, 1991. Additional information including preliminary allowable estimates is being distributed with OCD Memorandum dated February 4, 1991.

CASE 9949: (De Novo - Continued from January 17, 1991, Commission Hearing.)

Application of Chevron U.S.A., Inc. for a non-standard gas proration unit, unorthodox gas well locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard 400-acre gas spacing and proration unit comprising Lots 11 through 14 of Section 5 and Lots 15 and 16 and the SE/4 of Section 6, all in Township 21 South, Range 36 East, Eumont Gas Pool, said unit to be simultaneously dedicated to a well to be drilled at an unorthodox location 1175 feet from the South line and 1375 feet from the East line (Unit W) of said Section 6, to its Orcutt (NCT-A) Well No. 1 properly located 4600 feet from the North line and 1980 feet from the West line (Unit N) of said Section 5 (which is unorthodox for this proration unit) and to its Graham State (NCT-E) Well No. 2 located at an unorthodox location 1980 feet from the South and East lines (Unit R) of said Section 6. Said unit is located approximately 2.25 miles west by north of Oil Center, New Mexico. Upon application of Doyle Hartman, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9994: (De Novo - Continued from January 17, 1991, Commission Hearing.)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying either the SE/4 of Section 5 and the NE/4 of Section 8, Township 21 South, Range 36 East, forming a non-standard 320-acre gas spacing and proration unit for said pool, or IN THE ALTERNATIVE, the N/2 SE/4 and SE/4 SE/4 of said Section 5 and the NE/4 of said Section 8, forming a non-standard 280-acre non-standard gas spacing and proration unit for said pool. In either instance the applicant proposes to simultaneously dedicate all production from the Eumont Gas Pool to the existing State "A" Well No. 4 located 660 feet from the North and East lines (Unit A) of said Section 8, which is unorthodox for the proposed 280-acre unit, and to a second well to be drilled, completing and equipping a new infill well, plus a 200% risk factor for drilling, completing and equipping such new infill well, plus an equitable and proper percentage of the value of the existing wellbore of said State "A" Well No. 1, and all costs of supervision and operation of such unit, and that such order also provide for any other relief which may be deemed equitable and proper. The subject area is located approximately 1.25 miles west of Oil Center, New Mexico. Upon application of Chevron, U.S.A. Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8668: (De Novo)

In the matter of Case No. 8668 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8031, issued in said Case No. 8668 and dated September 27, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 SE/4 (Unit P) of Section 23, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico. Upon application of Doyle Hartman, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 8769: (De Novo)

In the matter of Case No. 8769 being reopened upon application of Howard Olsen to reconsider the provisions of Division Order No. R-8091, issued in said Case No. 8769 and dated December 6, 1985, which granted the application of Doyle Hartman to compulsorily pool all mineral interests from the surface to the base of the Langlie-Mattix Pool underlying the SE/4 NE/4 (Unit H) of Section 26, Township 25 South, Range 37 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Said well is located approximately 4 miles east of Jal, New Mexico. Upon application of Doyle Hartman, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10222: (Continued from January 24, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation to amend the special rules and regulations for the South Dagger Draw-Upper Pennsylvanian Associated Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-5353-L, which promulgated special pool rules for the South Dagger Draw-Upper Pennsylvanian Associated Pool located in Sections 11, 14, 22, 23, 26 and 35, Township 20 South, Range 24 East. Applicant seeks the establishment of a special depth bracket allowable for a standard 320-acre oil spacing and proration unit in said pool of 1400 barrels of oil per day. Said pool is located approximately 8 miles west-southwest of Seven Rivers, New Mexico.

CASE 10219: (Continued from January 24, 1991, Examiner Hearing.)

Application of Hanley Petroleum Inc. 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 Wolfcamp formation underlying the following described acreage in Section 8, Township 18 South, Range 33 East, and in the following manner: the W/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 within said vertical extent, which presently includes but is not necessarily limited to the Undesignated South Corbin-Wolfcamp Pool; and the SW/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 within said vertical extent, which presently includes but is not necessarily limited to the Undesignated West Corbin-Delaware Pool, Undesignated Central Corbin-Queen Pool, Undesignated West Corbin-San Andres Pool, and Undesignated Corbin-Bone Spring Pool. Said units are to be dedicated to a single well to be drilled at a standard oil well location 1980 feet from the North line and 660 feet from the West line of said Section 8. 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 7.5 miles southeast by south of Maljamar, New Mexico.

CASE 10240: 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 and Roosevelt Counties, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Seven Rivers production and designated as the Buffalo-Seven Rivers Pool. The discovery well is the Chevron USA Inc. Langlie A Federal Well No. 1 located in Unit K of Section 9, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 9: SW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Tansill-Yates-Seven Rivers production and designated as the West Dollarhide Tansill-Yates-Seven Rivers Gas Pool. The discovery well is the Texaco Producing Inc. Mexico J Well No. 2 located in Unit O of Section 32, Township 24 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
Section 32: SE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Gem-Delaware Pool. The discovery well is the JFG Enterprises Tonto State Well No. 1 located in Unit J of Section 32, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 32: SE/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Geronimo-Delaware Pool. The discovery well is the Mitchell Energy Corporation Geronimo Federal Well No. 1 located in Unit D of Section 31, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

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

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Northeast Lovington-Wolfcamp Pool. The discovery well is the Bridge Oil Company L. P. Kim Harris Well No. 1 located in Unit B of Section 12, Township 16 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 12: NE/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Abo production and designated as the East Nadine-Abo Pool. The discovery well is the Petroleum Technical Services Company Carter Well No. 1 located in Unit I of Section 30, Township 19 South, Range 39 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 39 EAST, NMPM
Section 30: SE/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Red Tank-Bone Spring Pool. The discovery well is the Chevron USA Inc. Covington A Federal well No. 1 located in Unit C of Section 25, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 25: NW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Paddock production and designated as the Teague-Paddock Pool. The discovery well is the Arch Petroleum Inc. E. C. Hill B Federal Well No. 1 located in Unit A of Section 34, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 34: NE/4

- (i) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Vaca Draw-Atoka Gas Pool. The discovery well is the Oryx Energy Company Gila 4 Deep Com Well No. 1 located in Unit G of Section 4, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM
Section 4: E/2

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

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 32: SW/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 16: SE/4

- (l) EXTEND the East Crossroads-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM
Section 25: NE/4

- (m) EXTEND the Cuerno Largo-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 35: NE/4

- (n) EXTEND the Southwest Eunice-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 5: SE/4
Section 8: E/2

- (o) EXTEND the Flying M-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 33 EAST, NMPM
Section 8: NE/4
Section 9: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 2: S/2

- (q) EXTEND the Hat Mesa-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 32: SE/2

- (r) EXTEND the Kemnitz-Cisco Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 22: W/2
Section 27: N/2

- (s) EXTEND the Lane-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4