

Dockets Nos. 24-88 and 25-88 are tentatively set for August 17 and August 31, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 3, 1988

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, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for September, 1988, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for September, 1988, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9444: Application of Yates Petroleum Corporation to amend Division Order No. R-8578, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-8578 entered in Case No. 9249 on January 6, 1988, by changing the unorthodox gas well location approved by said Order to 2310 feet from the South line and 750 feet from the West line (Unit L) of Section 8, Township 19 South, Range 27 East. All other provisions in said Order No. R-8578 will remain in full force and effect. Said location is approximately 17 miles southeast of Artesia, New Mexico. In the absence of objection, this case will be taken under advisement.

CASE 9445: Application of Maxus Exploration Company for a non-standard oil proration unit and 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 North line and 2160 feet from the West line of Irregular Section 6, Township 11 South, Range 37 East, Undesignated Dickinson-Devonian Pool, Lot 3 and the NE/ SW/4 of said Section 6 to be dedicated to said well forming a non-standard 57.1-acre oil spacing and proration unit. Said location is approximately 10.5 miles north-northeast of Tatum, New Mexico.

CASE 9433: (Continued from July 20, 1988, 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 Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 14, Township 18 South, Range 32 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard 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 8 miles south by east of Maljamar, New Mexico.

CASE 9424: (Continued from July 20, 1988, Examiner Hearing.)

Application of Horizon Oil and Gas Company for a non-standard oil proration unit and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an approval to commingle production from the Monument-Paddock, Monument-Blinebry, and Undesignated Monument-Tubb Pools within the wellbore of its Anderson Well No. 1 located at a standard oil well location for said zones 330 feet from the South line and 1980 feet from the East line (Unit O) of Section 8, Township 20 South, Range 37 East. Applicant further seeks approval for a 40-acre non-standard oil spacing and proration unit for the Monument-Tubb Pool production for said well comprising the SW/4 SE/4 of said Section 8. Said well is located approximately three miles south of Monument, New Mexico.

CASE 9446: Application of Arco Oil and Gas Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the NW/4 SE/4 (Unit J) of Section 32, Township 17 South, Range 31 East, Undesignated North Shugart-Bone Spring Pool, to form a standard statewide 40-acre oil spacing and proration unit 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 the applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 1.75 miles south of Milepost No. 138.2 on U.S. Highway 82.

CASE 9447: Application of Arco Oil and Gas Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the the SE/4 SE/4 (Unit P) of Section 32, Township 17 South, Range 31 East, Undesignated North Shugart-Bone Spring Pool, to form a standard statewide 40-acre oil spacing and proration unit 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 the applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 2 miles south of Milepost No. 138.5 on U.S. Highway 82.

Examiner Hearing - Wednesday - August 3, 1988

- CASE 9448: Application of Meridian Oil Inc. for El Paso Natural Gas Company for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1940 feet from the North line and 1325 feet from the East line (Unit G) of Section 15, Township 30 North, Range 7 West, to test the Fruitland formation, the NE/4 of said Section 15 to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said formation. This location is approximately 3.375 miles N 73° E of the Navajo Reservoir Dam.
- CASE 9422: (Continued from July 6, 1988, Examiner Hearing.)
- Application of Meridian Oil Company for central-point gas measurement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to install a central meter run at the end of El Paso Natural Gas Company's pipeline lateral 2C-90, thereby allowing 17 Ballard-Pictured Cliffs producing wells in the Canyon Large Unit to be commingled on the surface and their combined volumes to be metered at one central point. Said metering location is to be in the SE/4 of Section 4, Township 25 North, Range 7 West, being approximately 6 miles northeast by north of Nageesi, New Mexico.
- CASE 9423: (Continued from July 6, 1988, Examiner Hearing.)
- Application of Meridian Oil Company for central-point gas measurement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to install a central meter run at the end of El Paso Natural Gas Company's pipeline laterals 2C-18 and 2C-151, which are looped together, thereby allowing 26 Blanco Pictured Cliffs producing wells in the Lindrith Unit to be commingled on the surface and their combined volumes to be metered at one point. Said metering location to be in the NW/4 of Section 13, Township 24 North, Range 3 West, being approximately 4 miles west of Lindrith, New Mexico.
- CASE 9441: (Continued from July 20, 1988, Examiner Hearing.)
- Application of Meridian Oil, Inc. to amend Division Order No. R-4208, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-4208 to include the Atoka formation for production from its Leonard State "Com" Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) in the previously approved non-standard 320-acre gas proration and spacing unit for Grayburg-Morrow Gas Pool production and consisting of the NW/4, NW/4 NE/4, N/2 SW/4, and SW/4 SW/4 of Section 22, Township 17 South, Range 29 East. Said well is located approximately 5 miles west of Loco Hills, New Mexico.
- CASE 9449: Application of Pennzoil Exploration & Production 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 2310 feet from the South line and 810 feet from the West line of Section 1, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, the W/2 SW/4 of said Section 1 to be dedicated to said well, forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 4.5 miles north by east of Humble City, New Mexico.
- CASE 9450: Application of Pennzoil Exploration & Production Company for directional drilling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its "dry and abandoned" State "2" Well No. 1 located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 2, Township 17 South, Range 37 East, wherein the applicant proposes to deviate from vertical as to penetrate the top of the Undesignated Shipp-Strawn Pool at a true vertical depth of approximately 11,750 feet and within a 75-foot radius of an unorthodox subsurface oil well location 1600 feet from the South line and 330 feet from the West line of said Section 2, the W/2 SW/4 of said Section 2 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool. Said well is located approximately 4.5 miles north by west of Humble City, New Mexico.
- CASE 9451: Application of Jerome P. McHugh & Associates for amendment to Division Order No. R-6369-B and extension of the horizontal limits of the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order modifying the restriction contained in Order No. R-6469-B which limits the special rules and regulations of the West Puerto Chiquito-Mancos Oil Pool to the limits of the pool boundary, and for the expansion of said pool to include Section 2, Township 23 North, Range 1 West. Said pool consists of a vast area just north of Lindrith, New Mexico.

CASE 9443: (Continued from July 20, 1988, Examiner Hearing.)

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 Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

(a) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Baca-Gallup Oil Pool. The discovery well is the Union Texas Petroleum Corporation Newsom "A" Well No. 20 located in Unit J of Section 4, Township 26 North, Range 8 West, NMPM. Said pool would comprise:

TOWNSHIP 26 NORTH, RANGE 8 WEST, NMPM

Section 3: SW/4 SW/4
Section 4: NW/4 SE/4 and S/2 S/2
Section 5: SE/4 SE/4
Section 9: NE/4 and E/2 NW/4
Section 10: W/2 NW/4 and NW/4 SW/4

(b) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Cedro-Gallup Pool. The discovery well is the Northwest Pipeline Company Rosa Unit Well No. 109 located in Unit M of Section 9, Township 31 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Section 4: SW/4
Section 9: W/2

(c) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Potter-Gallup Oil Pool. The discovery well is the Union Texas Petroleum Corporation State 16 Well No. 1 located in Unit E of Section 16, Township 28 North, Range 9 West, NMPM. Said pool would comprise:

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Section 16: SW/4 NE/4, S/2 NW/4
W/2 SE/4, and SW/4

(d) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Willow-Gallup Pool. The discovery well is the Northwest Pipeline Corporation Rosa Unit Well No. 87 located in Unit H of Section 28, Township 31 North, Range 4 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 4 WEST, NMPM

Section 10: E/2
Section 11: All
Section 12: W/2
Section 14: All
Section 22: E/2
Section 23: All
Section 24: W/2
Section 27: N/2
Section 28: NE/4

(e) EXTEND the Angels Peak-Gallup Associated Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM

Section 4: NW/4
Section 5: N/2

(f) EXTEND the Big Gap-Organ Rock Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM

Section 29: S/2

(g) EXTEND the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM

Section 31: E/2 SW/4

- (h) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 25: SE/4
Section 36: N/2 NE/4

- (i) EXTEND the Blanco-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 9: NE/4

- (j) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM
Section 17: E/2

- (k) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 20: SE/4
Section 29: NE/4

- (l) EXTEND the East Blanco-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 2 WEST, NMPM
Section 7: All
Section 18: All

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM
Sections 7 through 32: All

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM
Section 10: SE/4
Section 11: SW/4
Section 12: S/2
Section 13: All
Section 14: W/2
Section 15: E/2
Section 24: All

- (m) EXTEND the Escrito-Gallup Associated Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 36: NE/4

- (n) EXTEND the Gallegos-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM
Section 23: NW/4

- (o) EXTEND the Laguna Seca-Gallup Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM
Section 19: SE/4
Section 20: S/2
Section 21: S/2
Section 22: SW/4
Section 27: W/2
Sections 28 and 29: All
Section 30: NE/4
Section 32: NE/4
Section 33: NW/4

- (p) EXTEND the Largo Gallup Gas Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 2: W/2

- (q) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 35: SE/4 SW/4

- (r) EXTEND the Sedro Canyon-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 23: SW/4

Dockets Nos. 23-88 and 24-88 are tentatively set for August 3 and 17, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 20, 1988

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, Alternate Examiner:

CASE 9420: (Continued from July 6, 1988, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division (OCD) on its own motion for pool creation and Special Pool Rules, San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico. The OCD on the recommendation of the Fruitland Coalbed Methane Committee, seeks the creation of a new pool for the production of gas from the coalbed seams within the Fruitland formation underlying the following described area:

Township 19 North, Ranges 1 West through 6 West;
Township 20 North, Ranges 1 West through 8 West;
Township 21 North, Ranges 1 West through 9 West;
Township 22 North, Ranges 1 West through 11 West;
Township 23 North, Ranges 1 West through 14 West;
Township 24 North, Ranges 1 East through 16 West;
Township 25 North, Ranges 1 East through 16 West;
Township 26 North, Ranges 1 East through 16 West;
Township 27 North, Ranges 1 West through 16 West;
Township 28 North, Ranges 1 West through 16 West;
Township 29 North, Ranges 1 West through 15 West;
Township 30 North, Ranges 1 West through 15 West;
Township 31 North, Ranges 1 West through 15 West; and
Township 32 North, Ranges 1 West through 13 West.

Also to be considered is the promulgation of special rules, regulations and operating procedures for said pool including, but not limited to, provisions for 320-acre spacing units, designated well locations, limited well density, horizontal wellbore and deviated drilling procedures, venting and flaring rules, and gas well testing requirements.

CASE 9431: Application of Yates Petroleum Corporation for directional drilling and unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Eland "AFC" Federal Com. Well No. 1 from a surface location 330 feet from the South line and 1650 feet from the West line (Unit N) of Section 12, Township 20 South, Range 29 East, wherein the applicant proposes to deviate said well to within 100 feet of the following targeted locations (both of which are unorthodox):

1. In the Undesignated East Burton Flat-Strawn Gas Pool - 660 feet from the North and West lines of said Section 13; and,
2. In the Undesignated Getty-Morrow Gas Pool - 991 feet from the North line and 329 feet from the West line of said Section 13.

Both zones are to be dedicated to the W/2 of said Section 13 forming a standard 320-acre gas spacing and proration unit. Said location is approximately 3.75 miles north-northwest of the junction of U.S. Highway 62/180 and State Highway 31.

CASE 9413: (Continued from July 6, 1988, Examiner Hearing)

Application of Yates Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Avalon-Delaware Pool located in portions of Township 20 South, Ranges 27 and 28 East, including a provision to increase the gas-oil ratio limitation to 5,000 cubic feet of gas per barrel of oil. Said area is located approximately 9 miles north of Carlsbad, New Mexico.

CASE 9353: (Continued from June 22, 1988, Examiner Hearing)

Application of Read & Stevens, Inc. 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 and East lines (Unit A) of Section 19, Township 19 South, Range 29 East, Undesignated Turkey Track-Morrow Gas Pool or Undesignated West Parkway-Morrow Gas Pool, the E/2 of said Section 19 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for either pool. Said location is approximately 7.5 miles southeast by east of the old Illinois Camp.

CASE 9389: (Continued from July 6, 1988, Examiner Hearing)

Application of Robert N. Enfield for compulsory pooling and an unorthodox gas well location, 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 Devonian formation underlying the NW/4 of Section 29, Township 7 South, Range 31 East, to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical limits or the W/2 of said Section 29 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical limits, both aforementioned units to be dedicated to its E. McCombs Well No. 1 drilled at an unorthodox gas well location (for a 320-acre dedication) 1650 feet from the North line and 990 feet from the West line (Unit E) of said Section 29. 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 units are located approximately 11 miles south by west of Kenna, New Mexico.

CASE 9432: Application of Leonard Resource Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 510 feet from the North line and 660 feet from the East line (Unit A) of Section 24, Township 26 South, Range 24 East, to test the Pennsylvanian formation, the N/2 of said Section 24 to be dedicated to the well. Said location is approximately 2.25 miles north of Mile Corner 81 located on the Texas/New Mexico stateline.

CASE 9433: 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 Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 14, Township 18 South, Range 32 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard 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 8 miles south by east of Maljamar, New Mexico.

CASE 9434: Application of Inexco Oil Company, a wholly owned subsidiary of The Louisiana Land and Exploration 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 Shipp-Strawn Pool underlying the W/2 SE/4 of Section 35, Township 16 South, Range 37 East, to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical limits or the SW/4 SE/4 of said Section 35 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical limits, both aforementioned units to be dedicated to a well to be drilled at a standard 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 well is located approximately 8 miles southwest of the old Hobbs Army Air Corps Auxiliary Airfield No. 1.

CASE 8822: (Reopened) (Continued from June 22, 1988, Examiner Hearing)

In the matter of Case No. 8822 being reopened pursuant to the provisions of Division Order No. R-8188-A, which promulgated temporary special rules and regulations for the Northeast Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, including a provision for 160-acre spacing units. Operators in the subject pool may appear and show cause why the Northeast Ojito Gallup-Dakota Oil Pool should not be developed on standard statewide 40-acre proration units.

CASE 9415: (Continued from July 6, 1988, Examiner Hearing)

Application of Manzano Oil 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 Undesignated Santo Nino-Bone Spring Pool underlying either the SW/4 SE/4 of Section 30, Township 18 South, Range 30 East, to form a standard statewide 40-acre oil spacing and proration unit within said vertical limits or the W/2 SE/4 of said Section 30 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing, both aforementioned units 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 units are located 7.5 miles south by west of Loco Hills, New Mexico.

CASE 9424: (Continued from July 6, 1988, Examiner Hearing)

Application of Horizon Oil and Gas Company for a non-standard oil proration unit and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an approval to commingle production from the Monument-Paddock, Monument-Blinebry, and Undesignated Monument-Tubb Pools within the wellbore of its Anderson Well No. 1 located at a standard oil well location for said zones 330 feet from the South line and 1980 feet from the East line (Unit O) of Section 8, Township 20 South, Range 37 East. Applicant further seeks approval for a 40-acre non-standard oil spacing and proration unit for the Monument-Tubb Pool production for said well comprising the SW/4 SE/4 of said Section 8. Said well is located approximately three miles south of Monument, New Mexico.

CASE 9435: Application of Union Oil Company of California d/b/a Unocal for a non-standard gas proration unit and unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location in the Undesignated House Yates-Seven Rivers Gas Pool for a well to be drilled in Lot 1 at a point 600 feet from the North line of Irregular Section 5, Township 20 South, Range 39 East, and 330 feet West of the western boundary of Lot 1 in said Section 5, said well to be dedicated to Lots 1 and 4 of said Section 5 thereby forming a 58.72-acre non-standard gas proration and spacing unit for said pool. Said location is approximately 3.75 miles S 73° E of Nadine, New Mexico.

CASE 9402: (Continued from July 6, 1988, Examiner Hearing)

Application of Union Texas Petroleum Corporation for an infill well finding, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order, pursuant to FERC Rule 271.305 of the Natural Gas Policy Act of 1978 and to Rule 16.A.5 of Division Order No. R-5878-B, as amended, showing that its State Com Well No. 1-A located 1028 feet from the North line and 1120 feet from the East line (Unit A) of Section 16, Township 28 North, Range 9 West, Basin-Dakota Pool, is needed to effectively and efficiently drain the existing 320-acre gas spacing and proration unit comprising the E/2 of said Section 16 which could not otherwise be produced by either the existing well or any other such well which has produced from the Basin-Dakota Pool within said unit. This unit is located approximately 4.75 miles southeast by south of Blanco, New Mexico.

CASE 9427: (Readvertised)

Application of Nearburg Producing Company for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Parino Well No. 2 to be drilled 1500 feet from the South line and 1200 feet from the West line (Unit L) of Section 23, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, the S/2 of said Section 23 to be simultaneously dedicated to said well and to the existing Parino Well No. 1 located at a previously approved unorthodox gas well location (R-7381) 1980 feet from the South and East lines (Unit I) of said Section 23. Said unit is located approximately 4 miles northwest by north of Seven Rivers, New Mexico.

CASE 9436: Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1340 feet from the South line and 660 feet from the West line (Unit L) of Section 8, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, the S/2 of said Section 8 to be dedicated to said well. This location is approximately 8.5 miles west-northwest of Lakewood, New Mexico.

CASE 9425: (Continued from July 6, 1988, Examiner Hearing)

Application of Nearburg Producing Company for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its B & B Well No. 2 to be drilled 660 feet from the South and East lines (Unit P) of Section 22, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, the E/2 of said Section 22 to be simultaneously dedicated to said well and to the existing B & B Well No. 1 located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 22. Said unit is located approximately 4.5 miles northwest by north of Seven Rivers, New Mexico.

CASE 9426: (Continued from July 6, 1988, Examiner Hearing)

Application of Nearburg Producing Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the N/2 of Section 26, Township 19 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at an unorthodox gas well location 990 feet from the North and West lines (Unit D) in said Section 26. 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 5 miles west of Lakewood, New Mexico.

CASE 9407: (Continued from July 6, 1988, Examiner Hearing)

Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2310 feet from the South line and 960 feet from the East line (Unit I) of Section 11, Township 22 South, Range 24 East, Undesignated McKittrick Hills-Morrow Gas Pool, the S/2 of said Section 11 to be dedicated to said well. This location is approximately 14.5 miles west of Carlsbad, New Mexico.

CASE 9037: (Reopened)

In the matter of Case 9037 being reopened pursuant to the provisions of Division Order No. R-8364, which promulgated temporary special rules and regulations for the North Air Strip-Bone Spring Pool in portions of Sections 14 and 15, Township 18 South, Range 34 East, Lea County, including a provision for 80-acre spacing units. Operators in the subject pool may appear and show cause why the North Air Strip-Bone Spring Pool should not be developed on standard statewide 40-acre spacing units. Said pool area is located approximately 1.5 miles north of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 9437: Application of W. A. Moncrief, Jr. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to either the base of the Morrow formation or to a depth of 11,200 feet, whichever is deeper, underlying the N/2 of Section 17, Township 24 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical limits, to be dedicated to a well to be drilled at an unorthodox gas well location 360 feet from the North line and 1980 feet from the West line (Unit L) of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 4.5 miles northwest of Whites City, New Mexico.

CASE 9438: Application of Terra Resources, Inc. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation or to a depth of 11,500 feet, whichever is deeper, underlying the E/2 of Section 8, Township 21 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical limits, to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the South and East lines (Unit P) 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 location is approximately 5 miles north by east of Carlsbad, New Mexico.

CASE 9439: Application of Union Pacific Resources Company for pool extension and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to extend the horizontal limits of the Vada-Devonian Pool to include the NW/4 of Section 35, Township 10 South, Range 33 East, and for the promulgation of temporary special rules and regulations for said pool including a provision for 80-acre spacing and proration units, designated well locations, and a poolwide exception to Division Rule 111 allowing for directional drilling or well deviations of more than 5 degrees in any 500-foot interval. Said pool area is located approximately 9.75 miles N 82° E of Caprock, New Mexico.

CASE 9440: Application of Union Pacific Resources Company for directional drilling and an unorthodox (subsurface) oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to plug back its State 26 Well No. 2, surface location 1910 feet from the South line and 1980 feet from the East line (Unit J), to 9,900 feet and then commence drilling directionally to penetrate the top of the Undesignated Vada-Devonian Pool at a true vertical depth of approximately 12,900 feet and within a 150-foot radius of an unorthodox subsurface location 1910 feet from the South line and 2580 feet from the East line (Unit J) of Section 26, Township 10 South, Range 33 East, with the N/2 SE/4 of said section being dedicated to said well, forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 10.25 miles N 80° E of Caprock, New Mexico.

CASE 9441: Application of Meridian Oil Inc. to amend Division Order No. R-4208, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-4208 to include the Atoka formation for production from its Leonard State "Com" Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) in the previously approved non-standard 320-acre gas proration and spacing unit for Grayburg-Morrow Gas Pool production and consisting of the NW/4, NW/4 NE/4, N/2 SW/4, and SW/4 SW/4 of Section 22, Township 17 South, Range 29 East. Said well is located approximately 5 miles west of Loco Hills, New Mexico.

CASE 9442: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Lea County, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the East Flying M-San Andres Pool. The discovery well is the Dwight A. Tipton Robinson 14 Well No. 1 located in Unit P of Section 14, Township 9 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 14: SE/4

(b) EXTEND the North Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 21: E/2

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

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 13: S/2

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 16: W/2
Section 18: SW/4

(d) EXTEND the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 30: NW/4

(e) EXTEND the North Hume-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 5: Lots 9, 10, 15, 16, and
SE/4

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

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 29: NW/4

(g) EXTEND the Scharb-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 3: E/2

(h) EXTEND the Teas-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 2: S/2 and NE/4
Section 11: W/2

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

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 1: Lots 1, 2, 7, and 8

CASE 9443: 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 Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

(a) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Baca-Gallup Oil Pool. The discovery well is the Union Texas Petroleum Corporation Newsom "A" Well No. 20 located in Unit J of Section 4, Township 26 North, Range 8 West, NMPM. Said pool would comprise:

TOWNSHIP 26 NORTH, RANGE 8 WEST, NMPM
Section 3: SW/4 SW/4
Section 4: NW/4 SE/4 and S/2 S/2
Section 5: SE/4 SE/4
Section 9: NE/4 and E/2 NW/4
Section 10: W/2 NW/4 and NW/4 SW/4

(b) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Jedro-Gallup Pool. The discovery well is the Northwest Pipeline Company Rosa Unit Well No. 109 located in Unit M of Section 9, Township 31 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Section 4: SW/4

Section 9: W/2

(c) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Potter-Gallup Oil Pool. The discovery well is the Union Texas Petroleum Corporation State 16 Well No. 1 located in Unit E of Section 16, Township 28 North, Range 9 West, NMPM. Said pool would comprise:

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Section 16: SW/4 NE/4, S/2 NW/4,

W/2 SE/4, and SW/4

(d) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Willow-Gallup Pool. The discovery well is the Northwest Pipeline Corporation Rosa Unit Well No. 87 located in Unit H of Section 28, Township 31 North, Range 4 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 4 WEST, NMPM

Section 10: E/2

Section 11: All

Section 12: W/2

Section 14: All

Section 22: E/2

Section 23: All

Section 24: W/2

Section 27: N/2

Section 28: NE/4

(e) EXTEND the Angels Peak-Gallup Associated Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM

Section 4: NW/4

Section 5: N/2

(f) EXTEND the Big Gap-Organ Rock Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM

Section 29: S/2

(g) EXTEND the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM

Section 31: E/2 SW/4

(h) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 25: SE/4

Section 36: N/2 NE/4

(i) EXTEND the Blanco-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

Section 9: NE/4

(j) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM

Section 17: E/2

(k) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM

Section 20: SE/4

Section 29: NE/4

(l) EXTEND the East Blanco-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 2 WEST, NMPM
Section 7: All
Section 18: All

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM
Sections 7 through 32: All

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM
Section 10: SE/4
Section 11: SW/4
Section 12: S/2
Section 13: All
Section 14: W/2
Section 15: E/2
Section 24: All

(m) EXTEND the Escrito-Gallup Associated Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 36: NE/4

(n) EXTEND the Gallegos-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM
Section 23: NW/4

(o) EXTEND the Laguna Seca-Gallup Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM
Section 19: SE/4
Section 20: S/2
Section 21: S/2
Section 22: SW/4
Section 27: W/2
Sections 28 and 29: All
Section 30: NE/4
Section 32: NE/4
Section 33: NW/4

(p) EXTEND the Largo-Gallup Gas Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 2: W/2

(q) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 35: SE/4 SW/4

(r) EXTEND the Sedro Canyon-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 23: SW/4