

FAX TRANSMITTAL SHEET
OIL CONSERVATION DIVISION - FAX NO. (505) 827-5741

TO: *Gerry Sexton Sweet County*

FR: *Michael E. [Signature]*

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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

1st
DRAFT

CASE NO. 10444
ORDER NO. R- _____

**APPLICATION OF AMERADA HESS CORPORATION FOR
POOL CREATION, SPECIAL POOL RULES AND THE
CONTRACTION OF THE VERTICAL LIMITS OF THE
HOBBS-BLINEBRY POOL, LEA COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on February 20, 1992, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this _____ day of June, 1992 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Division Order No. R-3530, dated October 22, 1968 and made effective November 1, 1968, the Division created and defined the Hobbs-Blinebry Pool for the production of oil from the Blinebry formation. The horizontal limits for said pool, as currently defined, include the following described lands in Lea County, New Mexico:

Township 18 South, Range 38 East, NMPM

Section 19: S/2
Section 28: SW/4
Section 29: W/2 and SE/4
Section 30: E/2
Section 31: NE/4
Section 32: All
Section 33: N/2 and SW/4

Section 34: W/2

Township 19 South, Range 38 East, NMPM

Section 3: NW/4

(3) The Hobbs-Blinebry Pool is currently governed by the General Statewide Rules and Regulations with development on 40-acre spacing units each having a top unit depth bracket allowable of 107 barrels of oil per day and a limiting gas/oil ratio of 2,000 cubic feet of gas per barrel of oil which results in a casinghead gas allowable of 214 MCF per day.

(4) The applicant in this matter, Amerada Hess Corporation ("Amerada") is an interest owner in the Hobbs-Blinebry Pool and operates one well therein; the State "A" Well No. 5 located in Unit A of Section 32, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico.

(5) At this time, Amerada seeks the contraction of the vertical limits of said Hobbs-Blinebry Pool in conjunction with the concomitant creation of a new pool for the production of oil from the Lower Blinebry formation ~~with~~ the existing horizontal limits of the Hobbs-Blinebry Pool, as described above. The applicant further seeks the promulgation of special rules for the proposed "Lower Blinebry" pool including provisions for 80-acre oil spacing and proration units, designated well location requirements and for a special gas/oil ratio limitation of 10,000 cubic feet of gas per barrel of oil.

(6) Although said State "A" Well No. 5 is located within the Hobbs-Blinebry Pool, the geological evidence presented at the hearing demonstrates that said well, which is currently completed and producing ~~from~~ from the Blinebry formation through the perforated interval at 6204 feet to 6210 feet, 6212 feet to 6214 feet and 6269 feet to 6274 feet, and has tapped into a previously unproduced common source of supply within the Blinebry formation which exhibits reservoir characteristics that differ somewhat from the upper producing interval of the Blinebry formation found in the other wells completed throughout the pool.

(7) Three other wells within the Hobbs-Blinebry Pool have tested this lower interval of the Blinebry formation whereby it can be established that the reservoir characteristics between the lower and upper Blinebry zones are not the same over the entire pool.

(8) A new oil pool should therefore be created with the vertical limits to include the lower Blinebry formation from a gamma ray marker consisting of a shale bed found at a depth of 6203 feet on the Gamma Ray-Neutron Log dated May 28, 1969 for the State "A" Well No. 5, as described above, to the base of the Blinebry formation. Further, the vertical limits of the Hobbs-Blinebry Pool should be concomitantly contracted to include the top of

the Blinebry formation to the above-described "shale marker." The horizontal limits of both zones should comprise the area described in Finding Paragraph No. (2) of this order.

(9) The new "Lower Blinebry" Pool should be designated the Hobbs-Lower Blinebry Pool and the Hobbs-Blinebry Pool should be redesignated the Hobbs-Upper Blinebry Pool.

(10) There is ample evidence in the record of this case to justify the establishment of 80-acre spacing and proration units for the proposed Lower-Blinebry Pool on a temporary basis of twenty-four months. Said temporary rules should provide for well locations to be within 150 feet of the center of a governmental quarter-quarter section, as to promote orderly development of said new pool.

(11) Insufficient evidence was presented by the applicant to support the establishment of the 10,000 to 1 limiting gas/oil ratio factor for the proposed new pool; therefore, that portion of this application requesting a special gas/oil ratio should be **denied**.

(12) During the twenty-four month period in which this order is in effect, the applicant, along with the operators in both the upper and lower pools should gather all available information relating to drainage and recoverable reserve in the subject pools.

(13) This case should be reopened at an examiner hearing in June 1994, at which time the operators in the lower pool should appear and show cause why the Hobbs-Lower Blinebry Pool should not be developed on 40-acre spacing and proration units and why both upper and lower pools formed by this order should not be rejoined and redesignated the Hobbs-Blinebry Pool.

IT IS THEREFORE ORDERED THAT:

(1) At the request of the applicant, Amerada Hess Corporation, a new pool for lower Blinebry oil production is hereby created and designated the Hobbs-Lower Blinebry Pool with upper and lower limits defined as the top of the shale bed marker found at a depth of 6203 feet on the Gamma Ray-Neutron Log run May 29, 1969 from a kelly bushing elevation of 3661 feet in the State "A" Well No. 5 located in Unit A of Section 32, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico to the base of the Blinebry formation and comprising the following described acreage in Lea County, New Mexico:

Township 18 South, Range 38 East, NMPM

Section 19: S/2
Section 28: SW/4
Section 29: W/2 and SE/4
Section 30: E/2

Section 31: NE/4
Section 32: All
Section 33: N/2 and SW/4
Section 34: W/2

Township 19 South, Range 38 East, NMPM

Section 3: NW/4

(2) The vertical limits of the Hobbs-Blinebry Pool is hereby contracted by the deletion of the lower portion of the Blinebry formation which will consist of the newly formed Hobbs-Lower Blinebry Pool as described above. Further, the Hobbs-Blinebry Pool is hereby designated the Hobbs-Upper Blinebry Pool.

(3) The redesignation and vertical contraction of the Hobbs-Blinebry Pool and the concomitant creation of the Hobbs-Lower Blinebry Pool shall become effective June 1, 1992.

(4) Temporary special rules and regulations for the newly formed Hobbs-Lower Blinebry Pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE HOBBS-LOWER BLINEBRY POOL**

RULE 1: Each well completed or recompleted in the Hobbs-Lower Blinebry Pool or within one mile thereof, and not nearer to or within the limits of another Blinebry oil pool, shall be spaced, drilled, operated and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2: Each well shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2 or W/2 of a governmental quarter section; provided however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in that unit.

RULE 3: The Director of the Oil Conservation Division, hereinafter referred to as the "Division", may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single governmental quarter-quarter section or lot, or the unorthodox size or shape of the tract is due to a variation in the legal subdivision of the United States Public Land Surveys. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that

such notice has been furnished. The Director may approve the application upon receipt of written waivers from all offset operators or if no offset operator has entered an objection to the formation of the non-standard unit within thirty days after the Director has received an application.

RULE 4: Each well shall be located within 150 feet of the center of a governmental quarter-quarter section or lot.

RULE 5: The Division Director may grant an exception to the requirements of Rule 4 without hearing when an application has been filed for an unorthodox location necessitated by topographical conditions or the recompletion of a well previously drilled to another horizon. All operators offsetting the proposed location shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Director may approve the application upon receipt of written waivers from all operators offsetting the proposed location or if no objection to the unorthodox location has been entered within twenty days after the Director has received the application.

RULE 6: The allowable for a standard proration unit (79 through 81 acres) shall be subject to an 80-acre depth-bracket allowable of 222 barrels of oil per day, ~~and~~ in the event there is more than one well on an 80-acre proration unit, the operator may produce the allowable assigned to the unit from the wells on the unit in any proportion. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable as the acreage in such non-standard unit bears to 80 acres.

IT IS FURTHER ORDERED THAT:

(5) The applicant's request for a special gas/oil ratio limitation factor of 10,000 cubic feet of gas per barrel of oil for the newly formed Hobbs-Lower Blinebry Pool is hereby **denied**.

(6) The locations of any other wells presently drilling to or completed in the Hobbs-Lower Blinebry Pool or in the Blinebry formation within one mile thereof, and not nearer to or within the limits of another designated Blinebry pool are hereby approved; the operator of any well having an unorthodox location shall notify the Hobbs District Office of the Division in writing of the name and location of the well on or before August 1, 1992.

(7) Pursuant to Paragraph A of Section 70-2-18, NMSA (1978), contained in Chapter 271, Laws of 1969, existing wells in the newly formed Hobbs-Lower Blinebry Pool shall have dedicated thereto 80 acres in accordance with the foregoing pool rules; or,

*and a
number of
units of
80 acre units that
from this
amount of oil
which results
in a maximum
allowable of
1144 barrels per acre*

pursuant to Paragraph C of said Section 70-2-18, existing wells may have non-standard spacing or proration units established by the Division and dedicated thereto.

Failure to file new Forms C-102 with the Division dedicating 80 acres to a well or to obtain a non-standard unit approved by the Division within sixty days from the date of this order shall subject the well to cancellation of allowable. Until said Form C-102 has been filed or until a non-standard unit has been approved, and subject to said sixty-day limitation, each well presently drilling to or completed in the Hobbs-Lower Blinebry Pool or in its corresponding vertical limits as described in Decretory Paragraph No. (1), above, or within one mile thereof shall receive no more than one-half of a standard allowable for the pool.

(8) This case shall be reopened at an examiner hearing in June, 1994, at which time the operators in the subject pool should be prepared to appear and show cause why the temporary special pool rules for the Hobbs-Lower Blinebry Pool should not be rescinded and said pool not be developed on 40-acre spacing units and why both the upper and lower Blinebry pools formed by this order should not be rejoined and redesignated the Hobbs-Blinebry Pool.

(9) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY
Director

S E A L

Dockets Nos. 7-92 and 8-92 are tentatively set for March 5, 1992 and March 19, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 20, 1992

**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 10372: (Continued from December 19, 1991, Examiner Hearing - This case will be dismissed.)

Application of Parker & Parsley Development Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the S/2 equivalent of Section 33, Township 31 North, Range 4 West, forming a standard 320-acre, more or less, spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes only the Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 15 miles west-southwest of Dulce, New Mexico.

CASE 10216: (Reopened)

In the matter of Case 10216 being reopened pursuant to the provisions of Division Order No. R-6849-A, which order approved a limiting gas-oil ratio of 7,000 to 1 for the West Nadine-Blinebry Pool in Lea County, New Mexico. Said Case 10216 is being reopened to allow the operators in the pool to appear and present evidence and show cause why the foregoing rule should remain in effect.

CASE 10442: Application of Marbob Energy Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 2263 feet from the South line and 1430 feet from the East line (Unit J) of Section 13, Township 11 South, Range 27 East, Chisum-Devonian Pool. Said well is to be simultaneously dedicated with the existing State CF Well No. 4, located at a standard oil well location 1980 feet from the South and East lines of said Section 13, to the NW/4 SE/4 of said section being a standard 40-acre oil spacing and proration unit in said pool. The subject unit is located approximately 4 miles south of U.S. Highway 380 at milemarker No. 175.

CASE 10443: Application of Marathon Oil Company to amend Division Order No. R-9503, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Division Order No. R-9503 to authorize an increase of the vertical extension of the injection interval in its McDonald State A/C-1 Well Nos. 30 and 33 located in Units L and I of Section 16, Township 22 South, Range 36 East, McDonald State A/C-1 Lease Waterflood Project, to include the lowermost 100 feet of the Seven Rivers Formation. Said waterflood project is located approximately 7 miles south of Oil Center, New Mexico.

CASE 10444: Application of Amerada Hess Corporation for pool contraction, pool creation, and promulgation of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Lower Blinebry formation and the promulgation of special pool rules therefor, including provisions for 80-acre oil spacing and proration units, designated well location requirements and a special gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil. Applicant also seeks the concomitant contraction of the vertical limits of the Hobbs-Blinebry Pool in conjunction with the creation of said new Lower Blinebry oil pool within the existing horizontal boundaries of the Hobbs-Blinebry Pool in portions of Townships 18 and 19 South, Range 38 East. Said area is located on the west side of Hobbs, New Mexico.

CASE 9854: (Readvertised)

In the matter of Case 9854 being reopened pursuant to the provisions of Division Order No. R-9131-A/R-5353-K, which order reclassified the Diablo-Fusselman Pool in Chaves County, New Mexico, as an associated pool with special rules and regulations including provisions for 80-acre oil and 160-acre gas spacing and proration units, designated well location requirements, and established a gas/oil ratio (GOR) limitation of 6,500 cubic feet of gas per barrel of oil. All interested parties may appear and show cause why the Diablo-Fusselman Associated Pool should not be reclassified as either a gas pool or oil pool, to be governed by applicable statewide rules or to make any such recommendations regarding the proper spacing and development for said pool on a permanent basis.

CASE 10422: (Continued from February 6, 1992, 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 Canyon formation underlying the SE/4 of Section 8, Township 19 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard location in the NW/4 SE/4 (Unit J) 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 8.5 miles southwest by west of Dayton, New Mexico.

CASE 10445: **Application of Western Reserves Oil Company Inc. for compulsory pooling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Northwest Jenkins-San Andres Pool underlying the NE/4 NE/4 (Unit A) of Section 9, Township 9 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the plugged and abandoned Midwest Oil Corporation James Petroleum "A" Well No. 1 located 660 feet from the North and East lines of said Section 9. Also to be considered will be the cost of re-entering and recompleting 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 re-entering and recompleting said well. Said well is located approximately 7.5 miles west-northwest of Crossroads, New Mexico.

CASE 10441: (Continued from February 6, 1992, Examiner Hearing.)

Application of Manzano Oil Corporation for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the S/2 SE/4 of Section 1, Township 16 South, Range 36 East, forming a standard 80-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at an unorthodox oil well location 330 feet from the South line and 1980 feet from the East line (Unit W) of said Section 1. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles east of the Lea County Fair Grounds.

CASE 10446: **Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. Lot 2 of said Section 2 is to be dedicated to said well forming a 39.81-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

CASE 10447: **Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SW/4 NE/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

CASE 10448: **Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the South line and 2310 feet from the West line (Unit N) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SE/4 SW/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for either the Undesignated Lost Tank-Delaware Pool or the Undesignated Livingston Ridge-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

**DOCKET: COMMISSION HEARING - THURSDAY - JANUARY 14, 1993
9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The Land Commissioner's designee for this hearing will be Gary Carlson and/or Janet Bailey

CASE 10436: (Rehearing - Continued from December 1, 1992, Commission Hearing.)

In the matter of the application of Four Corners Gas Producers Association and the New Mexico Oil and Gas Association to rehear Case No. 10436 which was called by the Oil Conservation Commission to provide for the expansion of the Vulnerable Area in the San Juan Basin amongst other things. This rehearing will be limited to the following three issues only:

1. To reconsider allowing extensions of up to two years to the basic one year- two year-three year timetable for the elimination of discharge;
2. To reconsider the establishment of a 200-foot radius wellhead protection area around private water wells which are not part of a community of municipal water supply; and
3. To reconsider the provisions of the order providing for variances; specifically, to clarify whether a variance can be granted for multiple sites under a single request and to determine the appropriate notice requirements for a variance request.

CASE 10444: (DE NOVO)

Application of Amerada Hess Corporation for pool contraction, pool creation, and promulgation of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Lower Blinebry formation and the promulgation of special pool rules therefor, including provisions for 80-acre oil spacing and proration units, designated well location requirements and a special gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil. Applicant also seeks the concomitant contraction of the vertical limits of the Hobbs-Blinebry Pool in conjunction with the creation of said new Lower Blinebry oil pool within the existing horizontal boundaries of the Hobbs-Blinebry Pool in portions of Townships 18 and 19 South, Range 38 East. Said area is located on the west side of Hobbs, New Mexico. Upon application of Amerada Hess Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10345: (DE NOVO)

Application of Louise Y. Locks to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #390 to determine the reasonableness of such costs pursuant to the provisions of Commission Order R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

CASE 10346: (DE NOVO)

Application of Louise Y. Locks to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #391 to determine the reasonableness of such costs pursuant to the provisions of Commission Order R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

CASE 10507: (DE NOVO)

Application of C & C Landfarm Inc. for a commercial surface waste disposal facility, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to construct and operate a commercial landfarm facility for remediation of non-hazardous hydrocarbon-contaminated soils using an enhanced biodegradation process. Said area is to be located in the SW/4 NE/4 (Unit G) of Section 3, Township 20 South, Range 37 East, which is approximately 2 miles southeast of Monument, New Mexico. Upon application of intervenors Elsie Reeves, S-W Cattle Co. and W. T. (Trent) Stradley, this case will be heard De Novo pursuant to the provisions of Rule 1220.

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 1, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 26-94 and 27-94 are tentatively set for September 15, 1994 and September 29, 1994. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 10444: (Continued from August 4, 1994, Examiner Hearing - Reopened)

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

CASE 11074: **Application of Collins & Ware, Inc. for salt water disposal, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authority to re-enter the previously plugged and abandoned C & K Petroleum, Inc. West Airport Federal Com. (Unit) Well No. 1-Y located 2250 feet from the North line and 998 feet from the East line (Unit H) of Section 29, Township 22 South, Range 29 East, and to utilize said well to dispose of produced salt water into the Bell Canyon Member of the Undesignated Happy Valley-Delaware Pool through the open-hole interval from approximately 2304 feet to 2396 feet. Said well is located approximately 3 miles northwest of the Cavern City Airport at Carlsbad, New Mexico.

CASE 11021: (Continued from August 18, 1994, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 22, Township 20 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Cemetery-Morrow Gas Pool or the Undesignated West Bubbling Springs-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles south of Lakewood, New Mexico.

CASE 11075: **Application of Texaco Exploration and Production, Inc. to amend Division Order No. R-10033 to include additional wells for downhole commingling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to include an additional five wells to the provisions of Division Order No. R-10033, which order authorized the downhole commingling of Jalmat and Langlie Matix production within its Cooper Jal Unit located in Sections 13 and 24, Township 24 South, Range 36 East and Section 19, Township 24 South, Range 37 East. Said area is located approximately six miles north by west of Jal, New Mexico.

CASE 11028: (Continued from August 18, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle South Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com Well No. 47, located 1760 feet from the South line and 835 feet from the West line (Unit L) of Section 2, Township 27 North, Range 8 West, which is located approximately 13 miles southeast by east of Blanco, New Mexico.

CASE 11029: (Continued from August 18, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "G" Well No. 2A, located 1650 feet from the South and East lines (Unit J) of Section 32, Township 29 North, Range 8 West, which is located approximately 8 miles east-southeast of Blanco, New Mexico.

CASE 11030: (Continued from August 18, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "R" Well No. 14, located 940 feet from the South line and 990 feet from the West line (Unit M) of Section 36, Township 30 North, Range 9 West, which is located approximately 6 miles east-northeast of Turley, New Mexico.

CASE 11031: (Continued from August 18, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "Q" Well No. 13A, located 1500 feet from the South line and 1450 feet from the East line (Unit J) of Section 36, Township 29 North, Range 8 West, which is located approximately 12 miles east by south of Blanco, New Mexico.

CASE 11032: (Continued from August 18, 1994, examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Pictured Cliffs Pool, Blanco-Mesaverde Pool, and Glades-Fruitland Sand Pool gas production within the wellbore of its State Com "S" Well No. 15A, located 790 feet from the North line and 1150 feet from the West line (Unit D) of Section 36, Township 32 North, Range 12 West, which is located approximately 8 miles east by north of La Plata, New Mexico.

CASE 11033: (Continued from August 18, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Glades-Fruitland Sand Pool gas production within the wellbore of its State Com "AJ" Well No. 34E, located 1185 feet from the South line and 1485 feet from the West line (Unit N) of Section 36, Township 32 North, Range 12 West, which is located approximately 8 miles east by north of La Plata, New Mexico.

CASE 11034: (Continued from August 18, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its State Com "AK" Well No. 35, located 790 feet from the North line and 1700 feet from the East line (Unit B) of Section 36, Township 32 North, Range 12 West, which is located approximately 8 miles east by north of La Plata, New Mexico.

CASE 11035: (Continued from August 18, 1994, Examiner Hearing.)

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Blanco-Mesaverde Pool gas production with Otero-Chacra Pool gas production within the wellbore of its Graham "C-WN" Federal Well No. 1A, located 1050 feet from the South line and 1600 feet from the East line (Unit 0) of Section 9, Township 27 North, Range 8 West, which is located approximately 12.5 miles southeast by south of Blanco, New Mexico.

CASE 11036: (Continued from August 18, 1994, Examiner H

Application of Conoco Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Basin-Dakota Pool gas production with Blanco-Mesaverde Pool gas production within the wellbore of its Bruington Well No. 15E, located 1650 feet from the North line and 1740 feet from the West line (Unit F) of Section 15, Township 30 North, Range 11 West, which is located approximately 1 mile southeast of Aztec, New Mexico.

CASE 11076: **Application of Santa Fe Energy Operating Partners, L. P. for a unit agreement, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval of the Quail Ridge Unit Agreement for an area comprising 4134.35 acres, more or less, of Federal and State lands in a portion of Townships 20 and 21 South, Ranges 33 and 34 East, which is centered approximately 7.5 miles south by east of the junction of U.S. Highway 62/180 and N.M. State Highway No. 176.

CASE 11049: **Application of Matador Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the W/2 of Section 29, Township 15 South, Range 30 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Little Lucky Lake-Morrow Gas Pool. Said unit is to be dedicated to the existing Paloma Resources, Inc.'s Peery Federal Well No. 3 located at an unorthodox gas well location 1820 feet from the South line and 2140 feet from the West line (Unit K) of said Section 29. Also to be considered will be the costs of participation in said well and the allocation of the costs and income thereof as well as actual operating costs and charges for supervision and designation of applicant as the operator of the well. Said unit is located approximately 11.5 miles north by east of Loco Hills, New Mexico.

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

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

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Pecos Slope Abo Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 15 miles west-northwest of Elkins, New Mexico.

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

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

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

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

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

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

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

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

CASE 10992: (Continued from June 9, 1994, Examiner Hearing.)

Application of Forcenergy Gas Exploration, Inc. for compulsory pooling and an unorthodox gas well location, 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 the E/2 of Section 14, Township 17 South, Range 35 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated South Shoe Bar-Atoka Gas Pool and Undesignated South Shoe Bar-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox gas well location 1600 feet from the South line and 1800 feet from the East line (Unit J) of said Section 14. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles east-northeast of Buckeye, New Mexico.

CASE 10444: (Reopened - Continued from June 9, 1994, Examiner Hearing.)

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

CASE 11017: **Application of Texaco Exploration and Production Inc. for pool reclassification, pool expansion, the promulgation of special pool rules, and the further amendment of Division Order No. R-5353, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks the reclassification of the North Teague-Lower Paddock-Blinebry Gas Pool as an "associated oil and gas pool" and to adopt the "General Rules and Regulations for the Associated Oil and Gas Pools in Northwest and Southeast New Mexico", as promulgated by Division Order No. R-5353, as amended, as the governing procedures for said pool and to include provisions for 40-acre oil and 160-acre gas spacing and proration units. Applicant also requests to expand the horizontal limits of said pool to include the NE/4 of Section 8 and the SW/4 of Section 9, all in Township 23 South, Range 37 East. Further, the applicant requests an increased gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil for said pool. Said area is located approximately 8 miles south of Eunice, New Mexico.

CASE 11018: **Application of Texaco Exploration and Production Inc. for pool creation and the promulgation of special pool rules, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Drinkard and Abo formations, underlying the NE/4 NE/4 of Section 8 and the NW/4 NE/4 and N/2 NW/4 of Section 9, both in Township 23 South, Range 37 East, and the promulgation of special rules and regulations including a special gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil produced. Said area is located approximately 8 miles south of Eunice, New Mexico.

CASE 10478: (Reopened)

In the matter of Case No. 10478 being reopened pursuant to the provisions of Division Order No. R-9701, which order created the Rock Mesa-Mancos Oil Pool in Sandoval County and promulgated Temporary Special Rules and Regulations for said pool, including a provisions for 640-acre spacing and proration units. All operators in said Rock Mesa-Mancos Oil Pool may appear and show cause why the Temporary Special Pool Rules for said pool should not be rescinded.

CASE 10993: **Application of ARCO Permian for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 36, Township 17 South, Range 30 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Loco Hills-Atoka Gas Pool and the Cedar Lake-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well location within said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3.5 miles south-southeast of Loco Hills, New Mexico.

CASE 10994: **Application of Enserch Exploration, Inc. for the assignment at a special depth bracket oil allowable, Roosevelt County, New Mexico.** Applicant, in the above-styled cause, seeks a special depth bracket oil allowable, pursuant to General Rule 505(d), of 500 barrels of oil per day for the South Peterson-Fusselman Pool, which is located in portions of Townships 5 and 6 South, Ranges 32 and 33 East, being approximately 14 miles east of Kenna, New Mexico.

CASE 10995: **Application of Mewbourne Oil Company for an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to drill its Babbling Springs "26" Federal Well No. 1 at an unorthodox gas well location 1650 feet from the North and West lines (Unit F) of section 26, Township 20 South, Range 25 East, to test the Undesignated West Bubbling Springs-Morrow Gas Pool. The N/2 of said Section 26 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 4 miles southwest by south of Seven Rivers, New Mexico.

CASE 10974: (Continued from May 26, 1994, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the top of the Wolfcamp formation underlying the W/2 SE/4 of Section 32, Township 18 South, Range 34 East, forming an 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent, which presently includes only the Undesignated EK-Bone Spring Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location in the NW/4 SE/4 (Unit J) of said Section 32. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8.5 miles southwest by south of Buckeye, New Mexico.

CASE 10670: (Reopened)

In the matter of Case No. 10670 being reopened pursuant to the provisions of Order No. R-9912 which order promulgated special rules and regulations for the Northeast Jenkins-Devonian Pool including a provision for 80-acre spacing. Operators in the subject pool should be prepared to appear and show cause why the temporary special rules and regulations for the Northeast-Jenkins Devonian Pool should not be rescinded and said pool not be developed on 40-acre spacing units.

CASE 10444: (Reopened)

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

CASE 10978: (Continued from May 26, 1994, Examiner Hearing.)

Application of Marathon Oil Company to amend Division Order No. R-10082, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-10082 to authorize the applicant at its discretion to utilize either the J. M. Denton Well No. 4 located in the NE/4 SW/4 (Unit K) of Section 11, Township 15 South, Range 37 East or, in the alternative, its previously approved J. M. Denton Well No. 5 located in the SE/4 SW/4 (Unit N) of said Section 11, as the initial well for its high angle/horizontal/directional drilling project approved by said Order No. R-10082 in the Denton-Devonian Pool, underlying a Project Area being the SW/4, N/2 SE/4 and SE/4 SE/4 of said Section 11. Applicant further seeks the designation of a target window for said well such that the horizontal or producing portion of said wellbore shall be no closer than 330 feet to any outer boundary of the project area. Said project is located approximately 4.5 miles south-southeast of Prairieview, New Mexico.

CASE 10996: **Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 22, Township 18 South, Range 32 East, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to its existing Querecho Plains Unit Well No. 1 which was drilled at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 22. Also to be considered will be the valuation of the existing wellbore and the cost of recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in recompleting said well. Said unit is located approximately 8 miles south-southwest from Maljamar, New Mexico.

CASE 10997: **Application of Nearburg Exploration 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 from the surface to the base of the Morrow formation underlying the N/2 of Section 26, Township 19 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Cemetery-Atoka Gas Pool and Undesignated Cemetery-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox gas well location 1450 feet from the North and East lines (Unit G) of 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles west of Lakewood, New Mexico.

CASE 10998: **Application of Hallwood Petroleum, Inc. for an unorthodox oil well location and non-standard oil proration unit, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks to establish a non-standard 80-acre oil proration and spacing unit in the Undesignated Hat Mesa-Delaware Pool comprising the SW/4 SE/4 and the SE/4 SE/4 of Section 30, Township 20 South, Range 33 East, to be dedicated to its Bass Federal Well No. 2 which was originally drilled as a Morrow gas well at an unorthodox location 660 feet from the South line and 1300 feet from the East line (Unit P) of Section 30 and which has been recompleted into and which applicant proposes to dedicate to the Hat Mesa-Delaware Pool. Said unit is located approximately two-thirds of a mile south of a point on State Highway 176 approximately 1.7 miles from the intersection of U.S. Highways 62/180 and State Highway 176.

CASE 10999: **Application of Kaiser-Francis Oil Company to Amend Division Order No. R-10048, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks to change the surface location for its Pure Gold "B" Well No. 10 from a proposed location 10 feet from the South line and 145 feet from the West line (Unit M) of Section 16, Township 23 South, Range 31 East, to a new location being 10 feet from the South line and 480 feet from the East line (Unit P) of Section 17, Township 23 South, Range 31 East. Such change will necessitate an amendment to Division Order No. R-10048, dated December 16, 1993. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 10962: (Continued from May 12, 1994, Examiner Hearing.)

Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NE/4 SE/4 of Section 30, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled and completed at a standard oil well location in the NE/4 SE/4 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 10 miles east of Loving, New Mexico.

CASE 11000: **Application of Matador Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Cisco formation underlying Lots 1 and 2, the NE/4 and E/2 NW/4 (N/2 equivalent) of Section 19, Township 20 South, Range 27 East, forming a standard 319.65-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated McMillan-Wolfcamp Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well location within said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5.5 miles southeast by south of Seven Rivers, New Mexico.