

Dockets Nos. 34-84 and 35-84 are tentatively set for September 5 and September 19, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 22, 1984

8 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 Richard L. Stamets or Gilbert P. Quintana, Alternate Examiners:

CASE 8241: (Continued and Readvertised)

Application of Sanders Oil & Gas Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Rio Pecos Deep Unit comprising 1600 acres, more or less, of Federal and Fee lands in Township 10 South, Range 25 East.

CASE 8302:

Application of Alpha Twenty-One Production Co. 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 Grayburg formation underlying the NW/4 SE/4 of Section 32, Township 18 South, Range 37 East, 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.

CASE 8273: (Continued and Readvertised)

Application of Blanks Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location ~~600~~⁴⁰⁵ feet from the South line and 1850 feet from the East line of Section 16, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the W/2 SE/4 of said Section 16 is to be dedicated to the well. In the absence of objection, this application will be approved based upon the prior record.

CASE 8303:

Application of Yates Petroleum Corporation for an exception to Rule 2(B) of Division Order R-1670-I, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(B) of Division Order R-1670-I to permit applicant to complete its well at an unorthodox oil well location 990 feet from the North line and 1650 feet from the West line of Section 21, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, the N/2 NW/4 of said Section 21 to be dedicated to the well.

CASE 8304:

Application of Yates Petroleum Corporation for a non-standard proration unit or in the alternative, compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 120-acre proration unit comprising the NE/4 NE/4 and S/2 NE/4 of Section 30, Township 20 South, Range 27 East, Delaware formation, or in the alternative, applicant seeks an order pooling all mineral interests from the surface through the Delaware formation underlying the NW/4 NE/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 operator of the well and a charge for risk involved in drilling said well.

CASE 8305:

Application of Yates Petroleum Corporation for new pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Permo Upper Pennsylvanian Oil Pool comprised of the SW/4 of Section 11, Township 7 South, Range 33 East, for its Smith "ZJ" Well No. 1 located 660 feet from the South and West lines of said Section 11, and the promulgation of temporary special pool rules therefor including a provision for 160-acre well spacing and proration units and well location requirements.

*Florine
Please (Cont. + Read) this case for the next
available docket. Thank you.
M. Stogner*

CASE 8291: (Continued from August 8, 1984, Examiner Hearing)

Application of I & W Transportation, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Kemnitz-Lower Wolfcamp Pool in the perforated interval from 10,694 feet to 11,348 feet in its Sombrero "MS" State Well No. 2 located in Unit C of Section 27, Township 16 South, Range 33 East.

CASE 8306:

Application of Red Mountain Associates for an unorthodox location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the North line and 2635 feet from the East line of Section 28, Township 20 North, Range 9 West, Chaco Wash-Mesaverde Oil Pool.

CASE 8307:

Application of Petroleum Energy Inc. for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location to test the Mississippian formation located 660 feet from the South line and 1980 feet from the West line of Section 28, Township 27 North, Range 18 West, the SW/4 of said Section 28 to be dedicated to the well.

CASE 8308:

Application of Dugan Production Corp. for amendment of Division Order R-7258, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-7258 to revise only the oil allocation factor to reflect 90% of the commingled oil stream being allocated to the Mancos zone and 10% of the commingled oil stream allocated to the Dakota zone.

CASE 8309:

Application of Dugan Production Corp. for amendment to Division Order R-7367, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7367 to revise only the oil allocation factor to reflect 92% of the commingled oil stream being allocated to the Mancos zone and 8% of the commingled oil stream allocated to the Dakota zone.

CASE 8310:

Application of Dugan Production Corp. for the amendment of Division Order R-7365, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7365 to revise only the oil allocation factor to reflect 97% of the commingled oil stream being allocated to the Mancos zone and 3% of the commingled oil stream allocated to the Dakota zone.

CASE 8311:

Application of Sun Exploration and Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 2700 feet from the North line and 1610 feet from the East line of Section 27, Township 9 South, Range 36 East, Crossroads-Devonian Pool, the SW/4 NE/4 of said Section 27 to be dedicated to the well.

CASE 8312:

Application of Gulf Oil Exploration and Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the perforated interval from 3350 feet to 3900 feet (Seven Rivers and Queen formations) in its William A. Ramsay and J. F. Janda (NCT-F) Leases located in Section 4, Township 22 South, Range 36 East.

CASE 8313:

Application of Bass Enterprises Production Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 14, Township 24 South, Range 33 East, 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.

Docket Nos. 30-84 and 31-84 are tentatively set for August 8 and August 22, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 25, 1984

8 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 Richard L. Stamets, Alternate Examiner:

- CASE 8268: Application of Randolph M. Richardson for a unit agreement, Dona Ana County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sunland Park Unit Agreement comprising 22,284 acres, more or less, of Federal, State, and Fee lands in Townships 26 and 27 South, Ranges 1 West and 1 East.
- CASE 8269: Application of Cibola Energy Corporation for a unit agreement, Lincoln and Otero Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Three Rivers Unit Agreement comprising 24,539.73 acres, more or less, of Federal, State and Fee lands in Townships 9, 10 and 11 South, Ranges 8, 9, and 9½ East.
Cont. to 9/19/84
- CASE 8270: Application of Yates Petroleum Corporation for a non-standard oil proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard proration unit comprising the SW/4 of Section 11, Township 7 South, Range 33 East, in the Bough C formation.
Dismissed
- CASE 8271: Application of Mustard Seed Oil & Chemical Corporation for a non-standard proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NE/4 SE/4 of Section 21, Township 26 North, Range 1 East, East Puerto Chiquito-Mancos Oil Pool.
Dismissed
- CASE 8247: (Continued from July 11, 1984, Examiner Hearing)
Application of Charles B. Gillespie, Jr. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Townsend Wolfcamp (Permo Upper-Penn) formation in the perforated interval from 10546 feet to 10598 feet in its State D Well No. 3 located 3,000 feet from the South line and 330 feet from the West line of Section 1, Township 16 South, Range 35 East.
- CASE 8272: Application of Shell Western E & P, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1285 feet from the South line and 660 feet from the East line of Section 33, Township 23 South, Range 34 East, to test the Ellenburger formation and/or to develop the Antelope Ridge-Devonian Gas Pool.
- CASE 8273: Application of Blanks Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location ~~330~~⁴⁵⁰ feet from the South line and ~~2000~~ feet from the East line of Section 16, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the W/2 SE/4 of said Section 16 to be dedicated to the well.
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- CASE 8274: Application of Blanks Energy Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the North line and 990 feet from the East line of Section 21, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the E/2 NE/4 of said Section 21 to be dedicated to the well.
- CASE 8217: (Continued from July 11, 1984, Examiner Hearing)
Cont. to 8/15/84
Application of Curtis J. Little for HARDSHIP GAS WELL CLASSIFICATION, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Federal Com Well No. 2E located in Unit N of Section 11, Township 28 North, Range 13 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8275: Application of Robert E. Landreth for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow, Atoka, and Strawn formations underlying the N/2 of Section 3, Township 25 South, Range 34 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North and West lines of said Section 3. 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.
Cont. to 8/8/84
- CASE 8276: Application of ARCO Oil and Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinebry, Drinkard, and Wantz-Abo production in the wellbore of its Roy Barton Well No. 2 located in Unit 3 of Section 23, Township 21 South, Range 37 East.
Cont. to 8/8/84

CASE 8212: (Continued from July 11, 1984, Examiner Hearing)

Cont. to
8/8/84

Application of W. A. Moncrief, Jr. for a HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Curnegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, Mosley Canyon-Strawn Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8214: (Continued from July 11, 1984, Examiner Hearing)

Cont. to
8/8/84

Application of W. A. Moncrief, Jr. for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Baldrige Federal Well No. 2 located in Unit B of Section 14, Township 24 South, Range 24 East, Baldrige Canyon-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8226: (Continued from July 11, 1984, Examiner Hearing)

Cont. to
8/8/84

Application of Doyle Hartman for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its South Empire State Com Well No. 1 located in Unit M of Section 24, Township 17 South, Range 28 East, South Empire-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8277: Application of Fred G. Yates for compulsory pooling and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests

Dismissed

in all formations from the surface through the Pennsylvanian formation underlying the SW/4 of Section 18, Township 13 South, Range 32 East, 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. Applicant also seeks approval of a 160-acre non-standard proration unit comprising the SW/4 of said Section 18 to be dedicated to this well.

CASE 8207: (Continued from June 6, 1984, Examiner Hearing)

Dismissed

Application of Coastal Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard oil proration unit comprising the NE/4 SE/4 of Section 6, Township 14 South, Range 33 East, Baum-Upper Pennsylvanian Pool.

CASE 8278: Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico.

Cont. to
8/8/84

Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Gavilan-Mancos Pool to the base of the Dakota producing interval underlying the W/2 of Section 23, Township 25 North, Range 2 West, 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.

CASE 8243: (Continued from July 11, 1984, Examiner Hearing)

Application of Robert E. Chandler Corp. 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 Drinkard formation underlying the NW/4 NW/4 of Section 12, Township 20 South, Range 38 East, 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.

CASE 8279: Application of Phillips Oil Company for salt water disposal, Lea County, New Mexico.

Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Ranger Lake-Pennsylvanian Pool in the perforated interval from 10,228 feet to 10,346 feet in its Ranger Well No. 6 located in Unit N of Section 23, Township 12 South, Range 34 East.

Dockets Nos. 39-84 and 40-84 are tentatively set for October 3 and October 17, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 19, 1984

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

The following cases will be heard before Richard L. Stamets, Examiner, or Michael E. Stogner or Gilbert Quintana, Alternate Examiners:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1984, from fifteen prorated pools in Lea, Eddy and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1984, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 8269: (Continued from July 25, 1984, Examiner Hearing)

Application of Cibola Energy Corporation for a unit agreement, Lincoln and Otero Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Three Rivers Unit Agreement comprising 24,539.73 acres, more or less, of Federal, State and Fee lands in Townships 9, 10 and 11 South, Ranges 8, 9, and 9 1/2 East.

CASE 8241: (Continued from August 22, 1984, Examiner Hearing)

Application of Sanders Oil & Gas Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Rio Pecos Deep Unit comprising 1600 acres, more or less, of Federal and Fee lands in Township 10 South, Range 25 East.

CASE 8306: (Continued from August 22, 1984, Examiner Hearing)

Application of Red Mountain Associates for an unorthodox location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the North line and 2635 feet from the East line of Section 28, Township 20 North, Range 9 West, Chaco Wash-Mesaverde Oil Pool.

CASE 8273: (Continued and Readvertised)

Application of Blanks Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 405 feet from the South line and 2000 feet from the East line of Section 16, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the W/2 SE/4 of said Section 16 to be dedicated to the well.

CASE 8341: Application of Lynx Petroleum Consultants, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Paddock formation underlying the NE/4 SW/4 of Section 25, Township 16 South, Range 36 East, 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.

CASE 8342: Application of Amoco Production Company for an unorthodox carbon dioxide gas well location, Harding County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 660 feet from the South and West lines of Section 24, Township 18 North, Range 33 East, Bravo Dome Carbon Dioxide Gas Unit (640-acre) Area, all of said Section 24 to be dedicated to the well.

CASE 8315: (Continued and Readvertised)

Application of Getty Oil Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks blanket approval to downhole commingle all Grayburg-Jackson Pool and Fren-Seven Rivers production underlying its Skelly Unit located in Township 17 South, Range 31 East. In the absence of objection, this application will be approved based upon the prior record.

CASE 8330: (Continued from September 5, 1984, Examiner Hearing)

Application of Chama Petroleum Company for an unorthodox well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 1980 feet from the North line and 660 feet from the East line of Section 5, Township 19 South, Range 27 East, to test the Pennsylvanian and Wolfcamp formations, the N/2 of said Section 5 to be dedicated to the well.

CASE 8343: Application of Chama Petroleum Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox Morrow gas well location 1200 feet from the South line and 1400 feet from the East line of Section 10, Township 22 South, Range 24 East, the E/2 of said Section 10 to be dedicated to the well.CASE 8226: (Continued from September 5, 1984, Examiner Hearing)

Application of Doyle Hartman for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its South Empire State Com Well No. 1 located in Unit M of Section 24, Township 17 South, Range 28 East, South Empire-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 8344: (This case will be dismissed)

Application of Santa Fe Energy Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1439 feet from the South line and 1090 feet from the West line of Section 27, Township 22 South, Range 27 East, South Carlsbad-Morrow Gas Pool, the S/2 of said Section 27 to be dedicated to the well.

CASE 8345: Application of Texaco Inc. for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard proration unit comprising the S/2 S/2 of Section 12, Township 20 South, Range 37 East, Skaggs Abo Gas Pool.CASE 8346: Application of BBC, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation in the perforated interval from 3,350 feet to 3,396 feet, and into an open-hole interval from 3,555 feet to 3,700 feet in its Federal "AZ" Well No. 1 located in Section 29, Township 26 South, Range 30 East.CASE 8303: (Continued and Readvertised)

Application of Yates Petroleum Corporation for an exception to Rules 2(B) and 5(A) of Division Order R-1670-1, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(B) of Division Order R-1670-1 to permit applicant to complete its well at an unorthodox oil well location 1650 feet from the North line and 2310 feet from East line of Section 20, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool. Applicant also seeks an exception to Rule 5(A) of Division Order R-1670-1 for approval of a non-standard 80-acre oil proration unit comprising the SW/4 NE/4 and NW/4 SE/4 of said Section 20 to be dedicated to the well.

CASE 8324: (Continued from September 5, 1984, Examiner Hearing)

Application of Yates Petroleum Corporation for a Carbon Dioxide Injection Pilot Project and unorthodox locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a carbon dioxide injection pilot project by the injection of carbon dioxide and water into the Grayburg formation in two wells proposed to be drilled in the West Loco Hills Unit at unorthodox locations as follows:

- (a) West Loco Hills Unit G4S Tract 13-2, located 1980 feet from the North line and 10 feet from the East line; and
- (b) West Loco Hills Unit G4S Tract 6-5, located 1475 feet from the South line and 10 feet from the East line

both in Section 12, Township 18 South, Range 29 East.

Dockets Nos. 34-84 and 35-84 are tentatively set for September 5 and September 19, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 22, 1984

8 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 Richard L. Stamets or Gilbert P. Quintana, Alternate Examiners:

CASE 8241: (Continued and Readvertised)

Application of Sanders Oil & Gas Company for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Rio Pecos Deep Unit comprising 1600 acres, more or less, of Federal and Fee lands in Township 10 South, Range 25 East.

CASE 8302:

Application of Alpha Twenty-One Production Co. 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 Grayburg formation underlying the NW/4 SE/4 of Section 32, Township 18 South, Range 37 East, 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.

CASE 8273: (Continued and Readvertised)

Application of Blanks Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 450 feet from the South line and 1850 feet from the East line of Section 16, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the W/2 SE/4 of said Section 16 is to be dedicated to the well. In the absence of objection, this application will be approved based upon the prior record.

CASE 8303:

Application of Yates Petroleum Corporation for an exception to Rule 2(B) of Division Order R-1670-I, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 2(B) of Division Order R-1670-I to permit applicant to complete its well at an unorthodox oil well location 990 feet from the North line and 1650 feet from the West line of Section 21, Township 8 South, Range 38 East, Bluit-San Andres Associated Pool, the N/2 NW/4 of said Section 21 to be dedicated to the well.

CASE 8304:

Application of Yates Petroleum Corporation for a non-standard proration unit or in the alternative, compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard 120-acre proration unit comprising the NE/4 NE/4 and S/2 NE/4 of Section 30, Township 20 South, Range 27 East, Delaware formation, or in the alternative, applicant seeks an order pooling all mineral interests from the surface through the Delaware formation underlying the NW/4 NE/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 operator of the well and a charge for risk involved in drilling said well.

CASE 8305:

Application of Yates Petroleum Corporation for new pool creation and special pool rules, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Permo Upper Pennsylvanian Oil Pool comprised of the SW/4 of Section 11, Township 7 South, Range 33 East, for its Smith "ZJ" Well No. 1 located 660 feet from the South and West lines of said Section 11, and the promulgation of temporary special pool rules therefor including a provision for 160-acre well spacing and proration units and well location requirements.

CASE 8291: (Continued from August 8, 1984, Examiner Hearing)

Application of I & W Transportation, Inc. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Kemnitz-Lower Wolfcamp Pool in the perforated interval from 10,694 feet to 11,342 feet in its Sombrero "MS" State Well No. 2 located in Unit C of Section 27, Township 16 South, Range 33 East.

CASE 8306:

Application of Red Mountain Associates for an unorthodox location, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the North line and 2635 feet from the East line of Section 28, Township 20 North, Range 9 West, Chaco Wash-Mesaverde Oil Pool.

CASE 8307:

Application of Petroleum Energy Inc. for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location to test the Mississippian formation located 660 feet from the South line and 1980 feet from the West line of Section 28, Township 27 North, Range 18 West, the SW/4 of said Section 28 to be dedicated to the well.

CASE 8308:

Application of Dugan Production Corp. for amendment of Division Order R-7258, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order R-7258 to revise only the oil allocation factor to reflect 90% of the commingled oil stream being allocated to the Mancos zone and 10% of the commingled oil stream allocated to the Dakota zone.

CASE 8309:

Application of Dugan Production Corp. for amendment to Division Order R-7367, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7367 to revise only the oil allocation factor to reflect 92% of the commingled oil stream being allocated to the Mancos zone and 8% of the commingled oil stream allocated to the Dakota zone.

CASE 8310:

Application of Dugan Production Corp. for the amendment of Division Order R-7365, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-7365 to revise only the oil allocation factor to reflect 97% of the commingled oil stream being allocated to the Mancos zone and 3% of the commingled oil stream allocated to the Dakota zone.

CASE 8311:

Application of Sun Exploration and Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 2700 feet from the North line and 1610 feet from the East line of Section 27, Township 9 South, Range 36 East, Crossroads-Devonian Pool, the SW/4 NE/4 of said Section 27 to be dedicated to the well.

CASE 8312:

Application of Gulf Oil Exploration and Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the perforated interval from 3350 feet to 3900 feet (Seven Rivers and Queen formations) in its William A. Ramsay and J. F. Janda (NCT-F) Leases located in Section 4, Township 22 South, Range 36 East.

CASE 8313:

Application of Bass Enterprises Production Co. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 14, Township 24 South, Range 33 East, 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.

Docket Nos. 30-84 and 31-84 are tentatively set for August 8 and August 22, 1984. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 25, 1984

8 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 Richard L. Stamets, Alternate Examiner:

- CASE 8268: Application of Randolph M. Richardson for a unit agreement, Dona Ana County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sunland Park Unit Agreement comprising 22,284 acres, more or less, of Federal, State, and Fee lands in Townships 26 and 27 South, Ranges 1 West and 1 East.
- CASE 8269: Application of Cibola Energy Corporation for a unit agreement, Lincoln and Otero Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Three Rivers Unit Agreement comprising 24,539.73 acres, more or less, of Federal, State and Fee lands in Townships 9, 10 and 11 South, Ranges 8, 9, and 9½ East.
- CASE 8270: Application of Yates Petroleum Corporation for a non-standard oil proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 160-acre non-standard proration unit comprising the SW/4 of Section 11, Township 7 South, Range 33 East, in the Bough C formation.
- CASE 8271: Application of Mustard Seed Oil & Chemical Corporation for a non-standard proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard proration unit comprising the NE/4 SE/4 of Section 21, Township 26 North, Range 1 East, East Puerto Chiquito-Mancos Oil Pool.
- CASE 8247: (Continued from July 11, 1984, Examiner Hearing)
Application of Charles B. Gillespie, Jr. for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Townsend Wolfcamp (Permo Upper-Penn) formation in the perforated interval from 10546 feet to 10598 feet in its State D Well No. 3 located 3,000 feet from the South line and 330 feet from the West line of Section 1, Township 16 South, Range 35 East.
- CASE 8272: Application of Shell Western E & P, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1285 feet from the South line and 660 feet from the East line of Section 33, Township 23 South, Range 34 East, to test the Ellenburger formation and/or to develop the Antelope Ridge-Devonian Gas Pool.
- CASE 8273: Application of Blanks Energy Corporation for an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox well location 330 feet from the South line and 2000 feet from the East line of Section 16, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the W/2 SE/4 of said Section 16 to be dedicated to the well.
- CASE 8274: Application of Blanks Energy Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location 660 feet from the North line and 990 feet from the East line of Section 21, Township 18 South, Range 35 East, South Vacuum-Devonian Pool, the E/2 NE/4 of said Section 21 to be dedicated to the well.
- CASE 8217: (Continued from July 11, 1984, Examiner Hearing)
Application of Curtis J. Little for HARSHIP GAS WELL CLASSIFICATION, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Federal Com Well No. 2E located in Unit N of Section 11, Township 28 North, Range 13 West, Basin-Dakota Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.
- CASE 8275: Application of Robert E. Landreth for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow, Atoka, and Strawn formations underlying the N/2 of Section 3, Township 25 South, Range 34 East, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the North and West lines of said Section 3. 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.
- CASE 8276: Application of ARCO Oil and Gas Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Blinbry, Drinkard, and Wantz-Abo production in the wellbore of its Roy Barton Well No. 2 located in Unit B of Section 23, Township 21 South, Range 37 East.

CASE 3212: (Continued from July 11, 1984, Examiner Hearing)

Application of W. A. Moncrief, Jr. for a HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Journegan State Well No. 1 located in Unit C of Section 8, Township 24 South, Range 25 East, Mosley Canyon-Strawn Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 3214: (Continued from July 11, 1984, Examiner Hearing)

Application of W. A. Moncrief, Jr. for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Baldrige Federal Well No. 2 located in Unit B of Section 14, Township 24 South, Range 24 East, Baldrige Canyon-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 3226: (Continued from July 11, 1984, Examiner Hearing)

Application of Doyle Hartman for HARDSHIP GAS WELL CLASSIFICATION, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its South Empire State Com Well No. 1 located in Unit M of Section 24, Township 17 South, Range 28 East, South Empire-Morrow Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 3277: Application of Fred G. Yates for compulsory pooling and a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in all formations from the surface through the Pennsylvanian formation underlying the SW/4 of Section 18, Township 13 South, Range 32 East, 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. Applicant also seeks approval of a 160-acre non-standard proration unit comprising the SW/4 of said Section 18 to be dedicated to this well.CASE 3207: (Continued from June 6, 1984, Examiner Hearing)

Application of Coastal Oil & Gas Corporation for a non-standard proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 40-acre non-standard oil proration unit comprising the NE/4 SE/4 of Section 6, Township 14 South, Range 33 East, Baum-Upper Pennsylvanian Pool.

CASE 3278: Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Gavilan-Mancos Pool to the base of the Dakota producing interval underlying the W/2 of Section 23, Township 25 North, Range 2 West, 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 supervisor, designation of applicant as operator of the well and a charge for risk involved in drilling said well.CASE 3243: (Continued from July 11, 1984, Examiner Hearing)

Application of Robert E. Chandler Corp. 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 Drinkard formation underlying the NW/4 NW/4 of Section 12, Township 20 South, Range 38 East, 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.

CASE 3279: Application of Phillips Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Ranger Lake-Pennsylvanian Pool in the perforated interval from 10,228 feet to 10,346 feet in its Ranger Well No. 6 located in Unit N of Section 23, Township 12 South, Range 34 East.

LEWIS C. COX*
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY JR.*
STUART D. SHANOR*
C. D. MARTIN
PAUL J. KELLY JR
OWEN M. LOPEZ*
DOUGLAS L. LUNSFORD*
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T. CALDER EZZELL, JR.*
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STEVEN D. ARNOLD

OF COUNSEL
CLARENCE E. HINKLE
ROY C. SNOODGRASS, JR.
O. M. CALHOUN

W. E. BONDURANT JR. (1913-1973)
ROBERT A. STONE (1905-1981)

*NOT LICENSED IN TEXAS

JEFFREY L. BOWMAN
JOHN C. HARRISON*
JAMES J. WECHSLER*
NANCY S. CUSACK*
DAVID L. SPOEDE
JEFFREY D. HEWETT
JAMES BRUCE*
MICHELE A. DREXLER*
DAVID G. REYNOLDS*
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THOMAS D. HAINES, JR.*
THOMAS M. HNASKO*
MICHAEL F. MILLERICK*
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JUDY K. MOORE
KELLY S. THOMAS
DAVID T. MARKETTE
RALPH O. DUNN

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

200 BLANKS BUILDING

POST OFFICE BOX 3580

MIDLAND, TEXAS 79702

(915) 683-4691

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88201
(505) 622-6510

1700 TEXAS AMERICAN BANK BUILDING
POST OFFICE BOX 12118
AMARILLO, TEXAS 79101
(806) 372-5569

218 MONTEZUMA
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554

August 17, 1984

Mr. Michael Stogner
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Re: Blanks Energy Corporation
OCD Case No. 8273

Dear Mr. Stogner:

This will confirm our telephone conversation today in connection with the above referenced case. I have reported that the case, as listed on the docket for the August 22 hearing describes the unorthodox well location as being 450 feet from the south line of the section involved. Actually, the well is to be located 405 feet from the south line of that section. Accordingly, you advised me that you will readvertise Case 8273, reflecting the change in well location as noted above. All of the other information on the description of the application is correct.

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:cl
copy:

Mr. Gary Feist
Blanks Energy Corporation

LEWIS C. COX*
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY JR.*
STUART D. SHANOR*
C. D. MARTIN
PAUL J. KELLY JR.
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200 BLANKS BUILDING
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
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POST OFFICE BOX 12118
AMARILLO, TEXAS 79101
(806) 372-5569

218 MONTEZUMA
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554

June 29, 1984

OF COUNSEL
CLARENCE E. HINKLE
ROY C. SNODGRASS, JR.
O. M. CALHOUN

W. E. BONDURANT, JR. (913-973)
ROBERT A. STONE (905-1981)

*NOT LICENSED IN TEXAS

Ms. Florene Davidson
Oil Conversation Division
Post Office Box 2088
Santa Fe, New Mexico 87501

Case 8273

Re: Blanks Energy Corporation
Cases for Hearing July 25,
1984

Dear Florene:

Enclosed you will find triplicate copies of two separate applications submitted by us on behalf of Blanks Energy Corporation. These are submitted in line with our telephone conversation earlier today, wherein I gave you by phone the pertinent information so that these cases could be set on the July 25 docket. One case involves Blanks' Arco State No. 2 Well located in Section 16, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico and the other case involves Blanks' Honeysuckle No. 2 Well located in Section 21, Township 18 South, Range 35 East, N.M.P.M.

If you find that you need any additional information or material to complete the necessary work to secure a place for these cases on the July 25 docket, please call.

Thank you.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY


Conrad E. Coffield

CEC:cl
copies: Mr. Gary Feist
Blanks Energy Corporation
Mr. Owen Lopez

Called in by Conrad Coffield

6/29/84

July 25

Memo

From

FLORENE DAVIDSON

Staff Specialist

To

Blanks Energy Corporation

Unorthodox Oil Well
Location

ARCO State #2

330/S + 2000/E

16-185-35E

Lea County

South Vacuum-Hevonian

W/2 SE/4 dedicated

LEWIS C. COX
PAUL W. EATON
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RALPH D. DUNN

HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

October 4, 1984

200 BLANKS BUILDING
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691

1700 TEXAS AMERICAN BANK BUILDING
POST OFFICE BOX 12118
AMARILLO, TEXAS 79101
(806) 372-5569
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W. E. BONDURANT, JR. (1913-1973)
ROBERT A. STONE (1905-1981)

*NOT LICENSED IN NEW MEXICO

OIL CONSERVATION DIVISION

OCT 9 1984

RECEIVED

Mr. Michael Stogner
Oil Conservation Division
Post Office Box 2088
Santa Fe, New Mexico 87504

Re: Case No. 8273, Order No. R-7674

Dear Michael:

Enclosed is the above Order which approves Blanks Energy Corporation's unorthodox well application. However, the Order is incorrect. Let me refresh your memory:

1. The case was originally advertised for a location 330 FSL and 2000 FEL.
2. At hearing, we amended this location to 450 FSL and 1850 FEL. The 450 feet figure was due to my error, and should have been 405 feet. The case was re-advertised at 450 FSL and 1850 FEL before the error was discovered.
3. The error was brought to your attention. However, the second re-advertisement then read 405 FSL and 2000 FEL.
4. The Order reads 450 FSL and 1850 FEL, but should read 405 FSL and 1850 FEL.

Therefore, we request that a new Order be entered with the location stated to be 405 FSL and 1850 FEL. We would also

Mr. Michael Stogner
October 4, 1984
Page 2

request that the new Order be dated September 28, 1984 (the date of the original Order).

Thank you. Please call if you have any questions.

Very truly yours,

HINKLE, COX, EATON,
COFFIELD & HENSLEY



James Bruce

JB:mar
cc: Mr. Gary Feist
Conrad E. Coffield, Esq.

Enclosure

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 8273
Order No. R-7674

APPLICATION OF BLANKS ENERGY
CORPORATION FOR AN UNORTHODOX OIL
WELL LOCATION, LEA COUNTY, NEW
MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on July 25, 1984, August 22, 1984 and September 19, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of September, 1984, 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) Division Case No. 8274 was consolidated with this case at the July 25, 1984, hearing for the purpose of testimony.

(3) The applicant, Blanks Energy Corporation, seeks approval of an unorthodox oil well location for its Arco State Well No. 2 to be located 450 feet from the South line and 1850 feet from the East line of Section 16, Township 18 South, Range 35 East, NMPM, South Vacuum-Devonian Pool, Lea County, New Mexico.

(4) The W/2 SE/4 of said Section 16 is to be dedicated to the well.

(5) A well at said unorthodox location will better enable applicant to produce the gas underlying the proration unit.

(6) No offset operator objected to the proposed unorthodox location.

(7) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

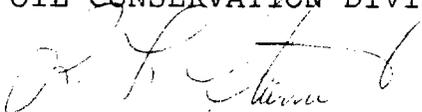
(1) The application of Blanks Energy Corporation for an unorthodox oil well location is hereby approved for its Arco State Well No. 2 to be located at a point 450 feet from the South line and 1850 feet from the East line of Section 16, Township 18 South, Range 35 East, NMPM, South Vacuum-Devonian Pool, Lea County, New Mexico.

(2) The W/2 SE/4 of said Section 16 shall be dedicated to the above-described well.

(3) 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


R. L. STAMETS,
Acting Director

S E A L

