

Dockets Nos. 33-87 and 34-87 are tentatively set for November 4 and 18, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 21, 1987

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

CASE 9179: (Continued from October 7, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Turman & Hayes, Western Surety Company, and all other interested parties to appear and show cause why the following four wells located on the "B" Lee State Lease in Section 7, Township 18 South, Range 35 East, Lea County, should not be plugged and abandoned in accordance with a Division-approved plugging program:

Well No. 1 located 1650 feet from the North line and 2236 feet from the West line (Unit F);

Well No. 3 located 2319 feet from the North line and 918 feet from the West line (Unit E);

Well No. 4 located 2055 feet from the South line and 660 feet from the West line (Unit L); and

Well No. 5 located 994 feet from the South line and 330 feet from the West line (Unit M).

All of these wells are located approximately 2.5 to 3 miles south of Buckeye, New Mexico.

CASE 9213: (Continued from October 7, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Paramount Petroleum Corporation and all other interested parties to appear and show cause why the Aztec Totah Unit Well No. 7 located on a Federal tract of land 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 20, Township 29 North, Range 13 West, San Juan County (which is approximately 1.2 miles south of the San Juan River Bridge on New Mexico Highway 371), should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 9214: (Continued from October 7, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Paramount Petroleum Corporation, Natural Surety Corporation, and all other interested parties to appear and show cause why the Aztec Totah Unit Well No. 16 located 705 feet from the South line and 2110 feet from the East line (Unit O) of Section 18, Township 29 North, Range 13 West, San Juan County (which is approximately 1 mile west of the San Juan River Bridge on New Mexico Highway 371), should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 9237: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order abolishing the Amanda (Abo) Gas Pool, contracting the horizontal limits of the Drinkard and Wantz-Abo Pools, extending both the horizontal and vertical limits of the South Brunson-Abo Pool (to be redesignated the South Brunson Drinkard-Abo Pool), and re-establishing the vertical limits of the Drinkard and Wantz-Abo Pools, all in Lea County, New Mexico. Applicant further seeks the promulgation of Special Pool Rules for the (redesignated) South Brunson Drinkard-Abo Pool including a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of liquid hydrocarbons and adoption of a method to determine the allowable for proration units where different operators may separately control the Drinkard and Abo zones. Also to be considered will be the adoption of a procedure whereby Drinkard, Wantz-Abo, and South Brunson Drinkard-Abo wells with short intervals of perforations out of zone could be approved administratively.

CASE 9238: Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Sanmal-Queen and the Undesignated Maljamar Grayburg-San Andres Pools in the wellbore of its Hoover "ADR" State Well No. 6 located 330 feet from the South line and 990 feet from the West line (Unit M) of Section 1, Township 17 South, Range 33 East. Said well is located approximately 8 miles south of Maljamar, New Mexico.

CASE 9239: Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Undesignated Sanmal-Queen and Undesignated Maljamar Grayburg-San Andres Pools in the wellbore of its Billy "AES" State Well No. 2 located 530 feet from the North line and 1750 feet from the West line (Unit C) of Section 12, Township 17 South, Range 33 East. Said well is located approximately 8 miles east of Maljamar, New Mexico.

CASE 9219: (Continued from September 23, 1987, Examiner Hearing)

Application of C&C Stockfarms, Inc. to amend Division Order No. R-8264 (Salt Water Disposal), Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-8264 to include the Pennsylvanian formation with the previously authorized Wolfcamp formation for disposal purposes in its Aztec State Com Well No. 3 located 660 feet from the South and West lines (Unit M) of Section 18, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool. Said well is located approximately 3.5 miles southeast of Lovington, New Mexico.

CASE 9129: (Continued from September 23, 1987, Examiner Hearing)

Application of Virginia P. Uhden, Helen Orbesen, and Carrol O. Holmberg to void and vacate Division Order Nos. R-7588 and R-7588-A, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order vacating Division Order Nos. R-7588 and R-7588-A, which orders promulgated Special Rules and Regulations for the Cedar Hill-Fruitland Basal Coal Pool, including a provision for 320-acre spacing and designated well locations.

CASE 9224: (Continued from October 7, 1987, Examiner Hearing)

Application of Robert N. Enfield for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 990 feet from the East line (Unit H) of Section 7, Township 19 South, Range 27 East, Undesignated McMillan-Upper Pennsylvanian Pool (which is approximately 4.5 miles northeast of Lakewood, New Mexico), the N/2 of said Section 7 to be dedicated to the well.

CASE 9240: Application of Jerome P. McHugh for an unorthodox well location and a non-standard proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard oil spacing and proration unit consisting of the E/2 of Section 35, Township 24 North, Range 1 West, West Puerto Chiquito-Mancos Oil Pool, to be dedicated to a well to be drilled at an unorthodox location 890 feet from the North line and 840 feet from the East line (Unit A) of said Section 35. Said location is approximately 7 miles east-southeast of Lindrith, New Mexico.

CASE 9202: (Continued from October 7, 1987, Examiner Hearing)

Application of Meridian Oil 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 Devonian formation underlying the NE/4 NE/4 (Unit A) of Section 35, Township 18 South, Range 35 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately one mile north from the junction of New Mexico Highways Nos. 8 and 529.

CASE 9241: Application of Petrus Operating Company, Inc. for pool creation and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Lower Pennsylvanian production comprising the W/2 of Section 14, Township 16 South, Range 30 East. Applicant further seeks approval for an unorthodox well location for its Henshaw Federal Well No. 1 located 330 feet from the South line and 1750 feet from the West line (Unit N) of said Section 14. Said area is located approximately 6 miles North-Northwest of Loco Hills, New Mexico.

CASE 9168: (Continued from October 7, 1987, Examiner Hearing)

Application of J. (James) A. Davidson for a determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, as an interested owner in the Marathon Oil Company Benson Well No. 1 located 330 feet from the South line and 990 feet from the East line (Unit P) of Section 14, Township 16 South, Range 38 East (located approximately 2 1/2 miles south of the old Hobbs Army Air Corps Auxiliary Airfield No. 1 on State Highway No. 132), which was drilled pursuant to the compulsory pooling provisions of Division Order No. R-8282, as amended, seeks an order ascertaining the reasonableness of actual well costs for the subject well.

CASE 9242: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending certain pools in Lea County, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the EK-Atoka Gas Pool. The discovery well is the Sun Exploration and Production Company New Mexico Federal Com Well No. 2 located in Unit H of Section 24, Township 18 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 24: N/2

(b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the South Rock Lake-Bone Spring Pool. The discovery well is the Yates Petroleum Corporation Sandwell AEQ State Well No. 1 located in Unit J of Section 9, Township 23 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 35 EAST, NMPM
Section 9: SE/4

(c) CONTRACT the Tubb Oil and Gas Pool in Lea County, New Mexico, by the deletion of the following described area:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 11: NW/4

(d) EXTEND the North Airstrip-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 15: NE/4 and SW/4

(e) EXTEND the Bell Lake-Cherry Canyon Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 31: N/2 SW/4 and SE/4

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

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

(g) EXTEND the East Hobbs-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM
Section 29: SW/4

(h) EXTEND the Pitchfork Ranch-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 4: NE/4

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

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM
Section 18: S/2

(j) EXTEND the Querecho Plains-Upper Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 23: NE/4

(k) EXTEND the Sanmal-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 11: NE/4
Section 12: NW/4

(l) EXTEND the Shipp-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 3: SE/4

(m) EXTEND the North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 17: N/2

Dockets Nos. 36-87 and 37-87 are tentatively set for December 2, and December 16, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 18, 1987

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

CASE 9179: (Continued from November 4, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Turman & Hayes, Western Surety Company, and all other interested parties to appear and show cause why the following four wells located on the "B" Lee State Lease in Section 7, Township 18 South, Range 35 East, Lea County, should not be plugged and abandoned in accordance with a Division-approved plugging program:

Well No. 1 located 1650 feet from the North line and 2236 feet from the West line (Unit F);

Well No. 3 located 2319 feet from the North line and 918 feet from the West line (Unit E);

Well No. 4 located 2055 feet from the South line and 660 feet from the West line (Unit L); and

Well No. 5 located 994 feet from the South line and 330 feet from the West line (Unit M).

All of these wells are located approximately 2.3 to 3 miles south of Buckeye, New Mexico.

CASE 9247: (Readvertised)

Application of Yates Petroleum Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the East Wind State Unit Area comprising 5,040 acres, more or less, of State and Fee lands in Township 9 South, Range 27 East. Said area is located approximately 7 miles south of the west end of Railroad Mountain.

CASE 9238: (Continued from November 4, 1987, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Sarmal-Queen and the Undesignated Maljamar Grayburg-San Andres Pools in the wellbore of its Hoover "ADR" State Well No. 6 located 330 feet from the South line and 990 feet from the West line (Unit M) of Section 1, Township 17 South, Range 33 East. Said well is located approximately 8 miles south of Maljamar, New Mexico.

CASE 9239: (Continued from November 4, 1987, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Undesignated Sarmal-Queen and Undesignated Maljamar Grayburg-San Andres Pools in the wellbore of its Billy "AFS" State Well No. 2 located 530 feet from the North line and 1750 feet from the West line (Unit C) of Section 12, Township 17 South, Range 33 East. Said well is located approximately 8 miles east of Maljamar, New Mexico.

CASE 8970: (Reopened)

In the matter of Case 8970 being reopened pursuant to the provisions of Division Order No. R-8330, which order established a limiting gas-oil ratio for the Sarmal-Queen Pool in Lea County of 5,000 cubic feet of gas per barrel of oil for a temporary period of one year. Interested parties may appear and show cause why the Sarmal-Queen Pool should not be governed by a limiting gas-oil ratio of 2,000 cubic feet of gas per barrel of oil.

CASE 9254: Application of Pogo Producing Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 990 feet from the East line (Unit H) of Section 13, Township 22 South, Range 32 East, to test the Wolfcamp, Strawn, Atoka, and Morrow formations, the N/2 of said Section 13 to be dedicated to the well. Said well is located approximately 19 miles south-southeast from the junction of U.S. 62/180 and N.M. 176.

- CASE 9255: Application of Randall L. Capps for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NW/4 SW/4 (Unit L) of Section 18, Township 12 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to the Gary Bennett Pearl Western Well No. 1-Y located at a standard oil well location 1980 feet from the South line and 610 feet from the West line of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 1.5 miles north of N. M. Milepost 238 on U.S. Highway 380.
- CASE 9256: Application of Petroleum Corporation of New Mexico for non-standard oil proration units and two unorthodox oil well locations, Eddy County, N.M. Applicant, in the above-styled cause, seeks approval for two non-standard oil proration units in Irregular Section 36, Township 26 South, Range 30 East, each to be dedicated to wells to be drilled at unorthodox locations. The first unit comprises 40 acres, being all of Lot 4 (25.14 acres) and the western 3/5 of Lot 3 (14.86 acres) with a well to be located 489 feet from the South line and 1320 feet from the West line of the section. The second unit comprises 34.86 acres, being all of Lot 2 (24.76 acres) and the eastern 2/5 of Lot 3 (10.10 acres) with a well located 484 feet from the South line and 2454 feet from the West line of the section. All measurements and acreages are based on an independent survey taken in August, 1987. This area is on the New Mexico/Texas stateline between N.M. Mile Marker Nos. 45 and 46.
- CASE 9257: 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 in the Gallup formation of the Gavilan-Mancos Oil Pool underlying all of Section 14, Township 25 North, Range 2 West, forming a standard 640-acre oil spacing and proration unit for said pool to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 6 miles north of Lindrith, New Mexico.
- CASE 9258: Application of BTA Oil Producers for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 35, Township 22 South, Range 34 East, Undesignated Antelope Ridge-Atoka Gas Pool, the N/2 of said Section 35 to be dedicated to the well. Said well is located approximately 3 miles northwest of the San Simon Sink.
- CASE 9241: (Continued from October 21, 1987, Examiner Hearing)
- Application of Petrus Operating Company, Inc. for pool creation and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new gas pool for Lower Pennsylvanian production comprising the W/2 of Section 14, Township 16 South, Range 30 East. Applicant further seeks approval for an unorthodox well location for its Henshaw Federal Well No. 1 located 330 feet from the South line and 1750 feet from the West line (Unit N) of said Section 14. Said area is located approximately 6 miles North-Northwest of Loco Hills, New Mexico.
- CASE 9259: Application of Amoco Production Company to rescind Rule 7 of Division Order No. R-8188-A, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to rescind Rule 7 of the Special Pool Rules for the Northeast Ojito Gallup-Dakota Oil Pool, as promulgated by Division Order No. R-8188-A, removing the restriction to 40-acre depth bracket allowables on wells located in portions of Sections 35 and 36, Township 26 North, Range 3 West. Said area is located in the Jicarilla Apache Indian Reservation approximately four miles east of the Southern Union Gas Company Ojito Camp.
- CASE 9260: Application of Sohio Petroleum Company (Standard Oil 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 San Andres formation through five certain wells on its Phillips-Lea Lease underlying a portion of Section 31, Township 17 South, Range 34 East, Vacuum Grayburg-San Andres Pool. Said area is located approximately 6.5 miles northwest of the oil Hobbs Army Air Corps Auxiliary Airfield No. 4.
- CASE 9261: Application of Sohio Petroleum Company (Standard Oil Production Company) for compulsory pooling and non-standard oil proration unit(s), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying either Lot 1 of Section 2, Township 17 South, Range 37 East, to form a non-standard 41.20-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical limits or Lots 1 and 2 of said Section 2 to form a non-standard 82.39-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical limits, both aforementioned units to be dedicated to a single well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 5 miles north of Humble City, New Mexico.

CASE 9262: Application of Amerind Oil Company 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 Strawn and Atoka formations underlying the E/2 SE/4 of Section 2, Township 17 South, Range 37 East, Undesignated Shipp-Strawn, Undesignated Humble City-Atoka, and Undesignated Humble City-Strawn Pools, forming a standard 80-acre oil spacing and proration unit to be dedicated to a well to be drilled at an unorthodox oil well location 1300 feet from the South line and 810 feet from the East line (Unit P) of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 4.5 miles north of Humble City, New Mexico.

CASE 8874: (Reopened) (Continued from November 4, 1987, Examiner Hearing)

In the matter of Case 8874 being reopened pursuant to the provisions of Division Order No. R-639-C, which order reclassified the Crosby-Devonian Gas Pool in Lea County as an associated pool. Interested parties may appear and show cause why the Crosby-Devonian Associated Pool should not be reclassified as a gas pool to be governed by the rules set forth by Division Orders Nos. R-639, as amended, and R-8170, as amended.

CASE 9263: Application of Conoco, Inc. to amend Division Order No. R-6141, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6141 by authorizing an unorthodox gas well location for its proposed Meyer A-1 Well No. 19 to be drilled 1980 feet from the North line and 890 feet from the East line (Unit H) of Section 18, Township 21 South, Range 36 East, Eumont Gas Pool. Said well is to be simultaneously dedicated, along with the Meyer A-1 Wells Nos. 6 and 11 located at unorthodox gas well locations in Unit B of Section 18 and Unit K of Section 17, respectively, to the 440-acre non-standard Eumont gas proration unit comprising the SW/4 and S/2 NW/4 of Section 17 and the N/2 NE/4, SE/4 NE/4, and N/2 SE/4 of Section 18, all of which were previously authorized by said Order No. R-6141. The subject well is located approximately 2.5 miles west-southwest of Oil Center, New Mexico.

CASE 9264: Application of Sun Exploration and Production Company for amendment of Division Order No. R-6483, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6483 by authorizing its proposed State "A" A/c-2 Well No. 73 to be drilled at an unorthodox gas well location 990 feet from the South line and 660 feet from the East line (Unit P) of Section 11, Township 22 South, Range 36 East, Jalnet Gas Pool. Said well is to be simultaneously dedicated, along with the State "A" A/c-2 Wells Nos. 14, 36, 42, and 62 located in Units B, M, E, and K, respectively, of said Section 11, to the 640-acre standard Jalnet gas proration unit comprising all of said Section 11, previously authorized by said Order No. R-6483. The subject well location is approximately 5 miles southwest of Eunice, New Mexico.

CASE 9202: (Continued from November 4, 1987, Examiner Hearing)

Application of Meridian Oil 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 Devonian formation underlying the NE/4 NE/4 (Unit A) of Section 35, Township 18 South, Range 35 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately one mile north from the junction of New Mexico Highways Nos. 8 and 529.

CASE 9265: Application of Tenneco Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Dakota Pool underlying the E/2 of Section 10, Township 29 North, Range 13 West, forming a standard 320-acre gas spacing and proration unit for said pool to be dedicated to an infill well to be drilled at an unorthodox surface and bottomhole location previously approved by the Division in Orders No. R-8253 and R-8253-A. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is on a 4.6 acre drill site located on the east side of Vine Avenue and Navajo Street and immediately north of the Rusty Sun Townhomes.

CASE 9240: (Readvertised)

Application of Jerome P. McHugh for compulsory pooling or, in the alternative, an unorthodox oil well location and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 35, Township 24 North, Range 1 West, forming a standard 640-acre oil spacing and proration unit in said pool to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. In the alternative, applicant seeks approval of a 320-acre non-standard oil spacing and proration unit in said pool consisting of the E/2 of said

Section 35 to be dedicated to a well to be drilled at an unorthodox oil well location 890 feet from the North line and 840 feet from the East line (Unit A) of said Section 35. Said location is approximately 7 miles east-southeast of Lindrith, New Mexico.

CASE 9266: Application of Pennzoil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the S/2 NW/4 of Section 14, Township 16 South, Range 37 East, Undesignated Northeast Lovington-Pennsylvanian Pool, forming a standard 80-acre oil spacing and proration unit for said pool to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 6 miles west-southwest of the Hobbs Army Air Corps Auxiliary Airfield No. 1.

CASE 9267: Application of Pennzoil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the E/2 SE/4 of Section 22, Township 16 South, Range 37 East, Undesignated Northeast Lovington-Pennsylvanian Pool/Undesignated Casey-Strawn Pool, forming a standard 80-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 2.75 miles south of N.M. Milepost 7 on N.M. Highway No. 83.

CASE 9268: Application of Pennzoil Company 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 Strawn and Atoka formations underlying either the SW/4 SW/4 of Section 3, Township 17 South, Range 37 East, to form a standard 40-acre oil spacing and proration unit within said vertical limits or the E/2 SW/4 of said Section 3 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing, both aforementioned units to be dedicated to a well to be drilled at an unorthodox oil well location 1310 feet from the South line and 1980 feet from the West line (Unit N) 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. Said location is approximately 4.5 miles north-northwest of Humble City, New Mexico.

CASE 9123: (Continued from October 7, 1987, Examiner Hearing)

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

CASE 9124: (Continued from October 7, 1987, Examiner Hearing)

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

CASE 9219: (Continued from October 21, 1987, Examiner Hearing)

Application of C&C Stockfarms, Inc. to amend Division Order No. R-8264 (Salt Water Disposal), Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Division Order No. R-8264 to include the Pennsylvanian formation with the previously authorized Wolfcamp formation for disposal purposes in its Aztec State Com Well No. 3 located 660 feet from the South and West lines (Unit M) of Section 18, Township 16 South, Range 37 East, Northeast Lovington-Pennsylvanian Pool. Said well is located approximately 3.5 miles southeast of Lovington, New Mexico.

DOCKET: COMMISSION HEARING - THURSDAY - NOVEMBER 19, 1987

OIL CONSERVATION COMMISSION - 9:00 AM MORGAN HALL,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 9134: (Readvertised)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider the amendment of Rule 1207(a)7 regarding notice to royalty interest owners.

CASE 9226: (Readvertised)

In the matter called by the Oil Conservation Division on its own motion to amend the Special Pool Rules for the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, as promulgated by Division Order No. R-4314, to reconsider the well location requirements poolwide, to restate the allowable in the pool to reflect the daily oil allowable for a 160-acre unit in the depth range of this pool to 382 BOFD as promulgated by Division General Rule 505, and to create a buffer zone in those sections that adjoin the Gavilan-Mancos Oil Pool to the east (Sections 1, 12, 13, 24, 25 and 36, Township 25 North, Range 3 West, Rio Arriba County) with any additional provisions which may be necessary and/or advisable to protect correlative rights along the common boundary of the two pools. Said area is situated 10 to 20 miles west-northwest of Lindrith, New Mexico.

CASE 9227: (Readvertised)

In the matter called by the Oil Conservation Division on its own motion to amend the Special Pool Rules for the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, as promulgated by Division Order No. R-7407, as amended, to create a buffer zone utilizing those existing proration units in Sections 5, 6, 7, 8, 17, 18, 19, 20, 29, 30, 31, and 32, Township 25 North, Range 2 West, that adjoin the West Lindrith Gallup-Dakota Oil Pool with any additional provisions which may be necessary and/or advisable to protect correlative rights along the common boundary of the two pools. Said area is situated 4 to 9 miles northwest of Lindrith, New Mexico.

CASE 9095: (De Novo) (Readvertised)

Application of Curtis J. Little for the promulgation of special pool rules for the Ojito Gallup-Dakota Oil Pool or, in the alternative, to abolish the Ojito Gallup-Dakota Oil Pool and to concomitantly expand the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks to establish special rules and regulations for the Ojito Gallup-Dakota Oil Pool including a provision for 160-acre spacing. IN THE ALTERNATIVE, the applicant seeks to abolish said Ojito Gallup-Dakota Oil Pool and to concomitantly expand the horizontal limits of the West Lindrith Gallup-Dakota Oil Pool to include the horizontal extent of the abolished pool plus the E/2 NE/4 of Section 21, Township 25 North, Range 3 West, Rio Arriba County, New Mexico. Upon application of Curtis J. Little, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9225: (Readvertised)

Application of Mesa Grande, Ltd. for an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying a certain 640-acre tract of land in Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Section 20, Township 25 North, Range 2 West, to form a standard 640-acre oil spacing and proration unit in said pool. Said unit is to be dedicated to the Sun Exploration and Production Company Luddy Well No. 1 located 1750 feet from the North and West lines (Unit F) of said Section 20 which is presently completed in and producing from the Gavilan-Mancos Oil Pool and dedicated to a previously approved 320-acre non-standard oil spacing and proration unit (see Rule 2(a) as promulgated by Division Order No. R-7407-E) underlying the W/2 of said Section 20. 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. Applicant further requests that Sun Exploration and Production Company remain as operator of the well and that the effective date of any order issued in this case be retroactive to June 8, 1987. Said well is located approximately 5.5 miles north-northwest of Lindrith, New Mexico.

CASE 9236: (Readvertised)

Application of Mesa Grande Resources, Inc. for compulsory pooling and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Irregular Section 1, Township 24 North, Range 2 West, forming a non-standard 650.22-acre oil spacing and proration unit to be dedicated to the existing Federal Invader Well No. 1 located at a standard location 1040 feet from the North line and 850 feet from the West line (Unit D) 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 the applicant as operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 3.5 miles northeast of Lindrith, New Mexico.

Dockets Nos. 37-87 and 1-88 are tentatively set for December 16, 1987 and January 6, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 2, 1987

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 9179: (Continued from November 18, 1987, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Turman & Hayes, Western Surety Company, and all other interested parties to appear and show cause why the following four wells located on the "B" Lee State Lease in Section 7, Township 18 South, Range 35 East, Lea County, should not be plugged and abandoned in accordance with a Division-approved plugging program:

Well No. 1 located 1650 feet from the North line and 2236 feet from the West line (Unit F);

Well No. 3 located 2319 feet from the North line and 918 feet from the West line (Unit E);

Well No. 4 located 2055 feet from the South line and 660 feet from the West line (Unit L); and

Well No. 5 located 994 feet from the South line and 330 feet from the West line (Unit M).

All of these wells are located approximately 2.3 to 3 miles south of Buckeye, New Mexico.

CASE 8685: (Reopened)

In the matter of Case No. 8685 being reopened pursuant to the provisions of Division Order No. R-8090, which order created and promulgated temporary special rules and regulations for the South Bisti-Gallup Oil Pool in San Juan County, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on Statewide 40-acre spacing units.

CASE 9251: (Reopened)

Application of Dugan Production Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos Oil Pool underlying all of Section 21, Township 26 North, Range 2 West, forming a standard 640-acre oil spacing and proration unit for said pool to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 11.5 miles north of Lindrith, New Mexico.

CASE 9252: (Continued from November 4, 1987, Examiner Hearing)

Application of Dugan Production Corporation for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos Oil Pool underlying all of Section 28, Township 26 North, Range 2 West, forming a standard 640-acre oil spacing and proration unit for said pool to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 10 miles north of Lindrith, New Mexico.

CASE 9238: (Continued from November 18, 1987, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Sanmal-Queen and the Undesignated Maljamar Grayburg-San Andres Pools in the wellbore of its Hoover "ADR" State Well No. 6 located 330 feet from the South line and 990 feet from the West line (Unit M) of Section 1, Township 17 South, Range 33 East. Said well is located approximately 8 miles south of Maljamar, New Mexico.

CASE 9239: (Continued from November 18, 1987, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Undesignated Sannal-Queen and Undesignated Maljamar Grayburg-San Andres Pools in the wellbore of its Billy "AES" State Well No. 2 located 530 feet from the North line and 1750 feet from the West line (Unit C) of Section 12, Township 17 South, Range 33 East. Said well is located approximately 8 miles east of Maljamar, New Mexico.

CASE 9269: Application of Mewbourne Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Blinbry Oil and Gas, Undesignated Warren-Tubb Gas, East Warren-Drinkard, and DK-Abo Pools in the wellbore of its Gulf-State Well No. 1-E, located 1980 feet from the North line and 330 feet from the West line (Unit E) of Section 36, Township 20 South, Range 38 East. Said well is located approximately 1.25 miles east of N.M. Milepost 39 on N.M. Highway No. 18.

CASE 9270: Application of H. L. Brown, Jr. for pool creation, special pool rules, and an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Siluro-Devonian production comprising the NW/4 of Section 27 and the NE/4 of Section 28, Township 7 South, Range 37 East, and the promulgation of temporary special rules and regulations therefor including a provision for 80-acre spacing and proration units and designated well location requirements. Applicant further seeks approval of an unorthodox oil well location for the proposed special pool rules for its Federal "27" Com Well No. 1 located 1650 feet from the North line and 660 feet from the West line (Unit E) of said Section 27, either the W/2 NW/4 or S/2 NW/4 to be dedicated to the well. Said well is located approximately 3 miles north of the Perkins Memorial Cemetery.

CASE 9271: Application of Sun Exploration and Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below a depth of 8800 feet underlying the S/2 of Section 15, Township 18 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within this vertical extent being developed on 320-acre spacing to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 10 miles southeast of Artesia, New Mexico.

CASE 9254: (Continued from November 18, 1987, Examiner Hearing)

Application of Pogo Producing Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 990 feet from the East line (Unit H) of Section 13, Township 22 South, Range 32 East, to test the Wolfcamp, Strawn, Atoka, and Morrow formations, the N/2 of said Section 13 to be dedicated to the well. Said well is located approximately 19 miles south-southeast from the junction of U.S. 62/180 and N.M. 176.

CASE 9255: (Continued from November 18, 1987, Examiner Hearing)

Application of Randall L. Capps for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NW/4 SW/4 (Unit L) of Section 18, Township 12 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit to be dedicated to the Gary Bennett Pearl Western Well No. 1-Y located at a standard oil well location 1980 feet from the South line and 610 feet from the West line of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 1.5 miles north of N. M. Milepost 238 on U.S. Highway 380.

CASE 9256: (Continued from November 18, 1987, Examiner Hearing)

Application of Petroleum Corporation of New Mexico for non-standard oil proration units and two unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for two non-standard oil proration units in Irregular Section 36, Township 26 South, Range 30 East, each to be dedicated to wells to be drilled at unorthodox locations. The first unit comprises 40 acres, being all of Lot 4 (25.14 acres) and the western 3/5 of Lot 3 (14.86 acres) with a well to be located 489 feet from the South line and 1320 feet from the West line of the section. The second unit comprises 34.86 acres, being all of Lot 2 (24.76 acres) and the eastern 2/5 of Lot 3 (10.10 acres) with a well located 484 feet from the South line and 2454 feet from the West line of the section. All measurements and acreages are based on an independent survey taken in August, 1987. This area is on the New Mexico/Texas stateline between N.M. Mile Marker Nos. 45 and 46.

CASE 9272: Application of Mitchell Energy Corporation for compulsory pooling, non-standard proration unit, and an unorthodox well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the top of the Wolfcamp formation underlying the following described acreage in Section 3, Township 15 South, Range 35 East, and in the following described manner:

Lots 1 through 4 and S/2 N/2 to form a non-standard 324.7-acre, more or less, gas spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 320-acre spacing;

Lots 3 and 4 to form a non-standard 82.8-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing;

Lot 3 to form a non-standard 41.3-acre, more or less, oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 40-acre spacing.

All of the above described units are to be dedicated to a single well to be drilled at a location (either standard or non-standard, depending on the appropriate spacing rules applicable to this well's completion horizon[s]) 660 feet from the North line and 1830 feet from the West line (Unit C) 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. Said location is approximately 5 miles west-southwest of Hillburn City, New Mexico.

CASE 9240: (Continued from November 18, 1987, Examiner Hearing)

Application of Jerome P. McHugh for compulsory pooling or, in the alternative, an unorthodox oil well location and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 35, Township 24 North, Range 1 West, forming a standard 640-acre oil spacing and proration unit in said pool to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. In the alternative, applicant seeks approval of a 320-acre non-standard oil spacing and proration unit in said pool consisting of the E/2 of said Section 35 to be dedicated to a well to be drilled at an unorthodox oil well location 890 feet from the North line and 840 feet from the East line (Unit A) of said Section 35. Said location is approximately 7 miles east-southeast of Lindrith, New Mexico.

CASE 9235: (Reopened)

Application of Conoco Inc. for an exception to Division Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-3221, as amended, to permit the disposal of water produced in conjunction with the production of oil and gas from its Buffalo Federal Lease into an unlined pit located in the NW/4 SW/4 of Section 18, Township 18 South, Range 32 East. Said area is located on the Lea County side of the Lea/Eddy County line approximately 3.75 miles south of Mile Post No. 4 located on New Mexico Highway 529.

CASE 9259: (Continued from November 18, 1987, Examiner Hearing)

Application of Amoco Production Company to rescind Rule 7 of Division Order No. R-8188-A, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to rescind Rule 7 of the Special Pool Rules for the Northeast Ojito Gallup-Dakota Oil Pool, as promulgated by Division Order No. R-8188-A, removing the restriction to 40-acre depth bracket allowables on wells located in portions of Sections 35 and 36, Township 26 North, Range 3 West. Said area is located in the Jicarilla Apache Indian Reservation approximately four miles east of the Southern Union Gas Company Ojito Camp.

CASE 9273: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending certain pools in Lea, Chaves, and Roosevelt Counties, New Mexico:

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Kemnitz-San Andres Pool. The discovery well is the W & W Oil Company of Texas New Mexico 17 Well No. 1 located in Unit E of Section 17, Township 16 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 17: NW/4

(b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Yates production and designated as the Nadine-Yates Gas Pool. The discovery well is the Dewey G. Sparger Toni Well No. 1 located in Unit H of Section 22, Township 19 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM
Section 22: NE/4

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Atoka production and designated as the Southwest Vacuum-Atoka Pool. The discovery well is the Texaco Producing Inc. New Mexico Z State TN Com Well No. 1 located in Unit C of Section 2, Township 18 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 2: NW/4

(d) CONTRACT the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, by the deletion of the following described acreage:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 35: SE/4 NW/4

(e) CONTRACT the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico, by the deletion of the following described acreage:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 25: W/2 SE/4

(f) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 8: SW/4

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

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 17: W/2
Section 20: N/2

(h) EXTEND the Corbin-Yates Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 16: S/2
Section 17: SE/4
Section 20: NE/4

(i) EXTEND the Eumont Yates-Seven Rivers-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM
Section 28: SW/4

(j) EXTEND the Fairview Mills-Wolfcamp Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 10: N/2
Section 11: W/2

(k) EXTEND the North Knowles-Devonian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 23: NE/4

(l) EXTEND the Langley-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 17: NE/4

(m) EXTEND the Little Lucky Lake-Pennsylvanian Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 28: W/2
Section 29: S/2

- (n) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
 Section 1: SE/4
- (o) EXTEND the West Lusk-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
 Section 30: SE/4
- (p) EXTEND the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
 Section 25: W/2 SE/4
 Section 34: NE/4 SW/4 and SE/4
- (q) EXTEND the Mescalero Escarpa-Bone Spring Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
 Section 10: NE/4
 Section 15: NE/4
- (r) EXTEND the West Tonto-Wolfcamp Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
 Section 6: S/2
- (s) EXTEND the West Tonto Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
 Section 13: SW/4
- (t) EXTEND the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
 Section 26: SE/4
 Section 35: SE/4 NW/4
- (u) EXTEND the Vada-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:
TOWNSHIP 8 SOUTH, RANGE 35 EAST, NMPM
 Section 25: SE/4

CASE 9274: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico:

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Cotton Draw-Atoka Gas Pool. The discovery well is the Bettis, Boyle and Stovall Sotol Federal Well No. 1 located in Unit F of Section 12, Township 24 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
 Section 12: N/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Forehand Ranch-Wolfcamp Gas Pool. The discovery well is the Harvey E. Yates Company Amoco 22 State Well No. 1 located in Unit E of Section 22, Township 23 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
 Section 22: W/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Hackberry-Delaware Pool. The discovery well is the Frank Boyce B. B. State Well No. 1 located in Unit O of Section 16, Township 19 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
 Section 16: SE/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the East Loving-Delaware Pool. The discovery well is the Reading and Bates Petroleum Company Brantley Com Well No. 1 located in Unit N of Section 23, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 23: SW/4

(e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the West Lusk-Bone Spring Pool. The discovery well is the Danson Oil Corporation Dozier Federal Com Well No. 1 located in Unit K of Section 14, Township 19 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 14: SW/4

(f) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Devonian production and designated as the Sardine Lake-Devonian Pool. The discovery well is the Cibola Energy Corporation Aciete Negra Well No. 4 located in Unit P of Section 12, Township 9 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 12: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM
Section 11: SW/4

(h) EXTEND the Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 12: NW/4

(i) EXTEND the South Carlsbad-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 13: SE/4
Section 24: N/2 NE/4 and SE/4 NE/4

(j) EXTEND the Diamond Mound Atoka-Morrow Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 30: S/2

(k) EXTEND the Eagle Creek-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 32: W/2

(l) EXTEND the North Foor Ranch-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 5: W/2
Section 6: E/2

(m) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 5 SOUTH, RANGE 22 EAST, NMPM
Section 30: W/2
Section 31: A11
Section 33: SW/4

TOWNSHIP 8 SOUTH, RANGE 23 EAST, NMPM
Section 10: S/2
Section 15: NW/4

(n) EXTEND the Saladar-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

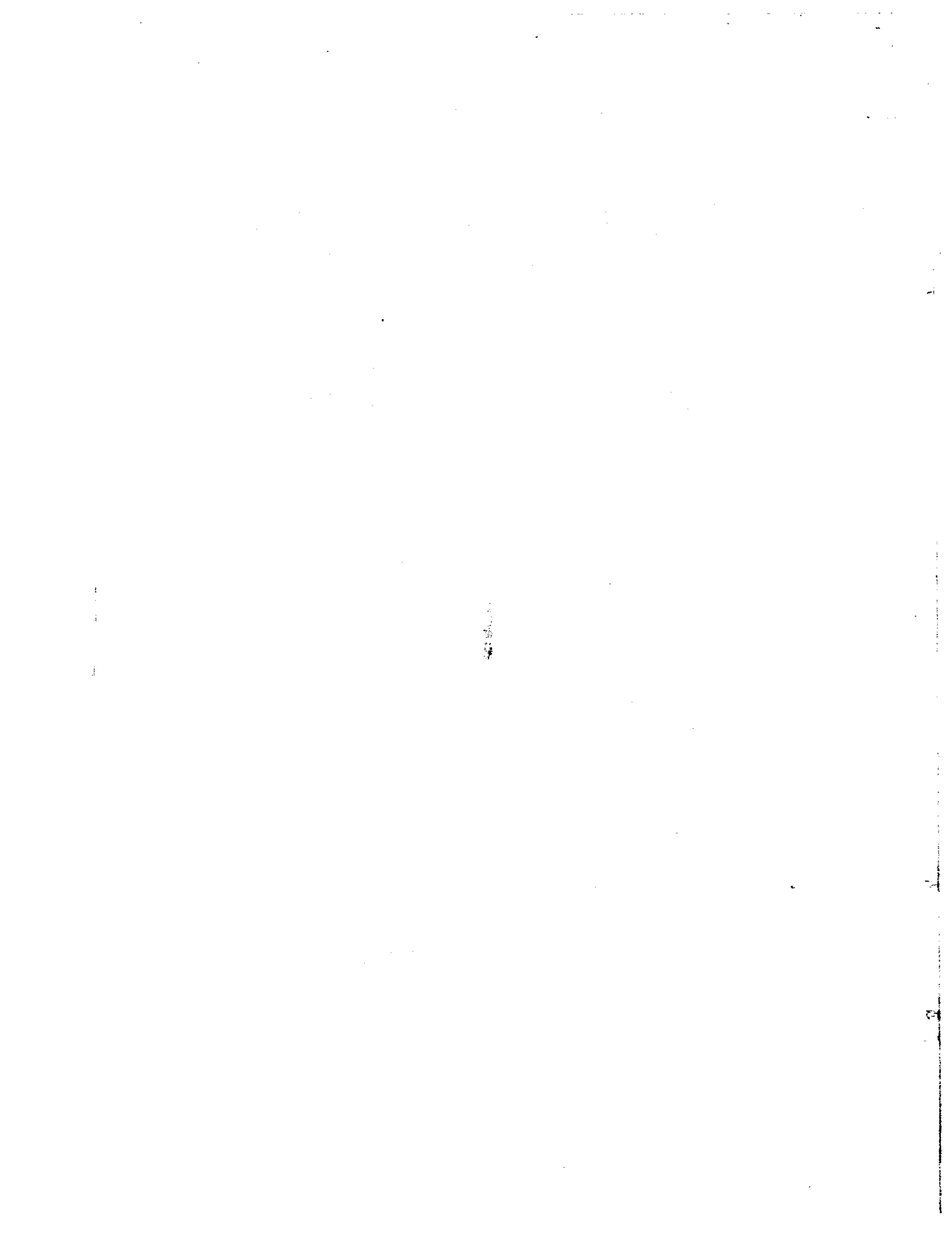
TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 30: W/2

- (o) EXTEND the Southwest Sulphate Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM
Section 14: NW/4 NE/4, S/2 NE/4, and
SE/4

- (p) EXTEND the Tamano-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 11: E/2
Section 12: SW/4



Dockets Nos. 1-88 and 2-88 are tentatively set for January 6, and January 20, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - DECEMBER 16, 1987

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

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

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

CASE 9238: (Continued from December 2, 1987, Examiner Hearing)

Application of Yates Petroleum Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Sarmal-Queen and the Undesignated Maljamar Grayburg-San Andres Pools in the wellbore of its Hoover "ADR" State Well No. 6 located 330 feet from the South line and 990 feet from the West line (Unit M) of Section 1, Township 17 South, Range 33 East. Said well is located approximately 8 miles south of Maljamar, New Mexico.

CASE 9275: Application of Sun Exploration and Production Company for amendment of Division Order No. R-6483, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6483 by authorizing its proposed State "A" A/C-2 Well No. 73 to be drilled at an unorthodox gas well location 990 feet from the South line and 660 feet from the East line (Unit P) of Section 11, Township 22 South, Range 36 East, Jalmat Gas Pool. Said well is to be simultaneously dedicated, along with the State "A" A/C-2 Wells Nos. 14, 36, 42 and 62 located in Units B, M, E, and K, respectively, of said Section 11, to the 640-acre standard Jalmat gas proration unit comprising all of said Section 11, previously authorized by said Order No. R-6483. The subject well location is approximately 5 miles southwest of Eunice, New Mexico.

CASE 9240: (Continued from December 2, 1987, Examiner Hearing)

Application of Jerome P. McHugh for compulsory pooling or, in the alternative, an unorthodox oil well location and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Puerto Chiquito-Mancos Oil Pool underlying all of Section 35, Township 24 North, Range 1 West, forming a standard 640-acre oil spacing and proration unit in said pool to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. In the alternative, applicant seeks approval of a 320-acre non-standard oil spacing and proration unit in said pool consisting of the E/2 of said Section 35 to be dedicated to a well to be drilled at an unorthodox oil well location 890 feet from the North line and 840 feet from the East line (Unit A) of said Section 35. Said location is approximately 7 miles east-southeast of Lindrith, New Mexico.

CASE 9235: (Recpened) (Continued from December 2, 1987, Examiner Hearing)

Application of Conoco Inc. for an exception to Division Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-3221, as amended, to permit the disposal of water produced in conjunction with the production of oil and gas from its Buffalo Federal Lease into an unlined pit located in the NW/4 SW/4 of Section 18, Township 18 South, Range 32 East. Said area is located on the Lea County side of the Lea/Eddy County line approximately 3.75 miles south of Mile Post No. 4 located on New Mexico Highway 529.

CASE 9276: Application of Marathon Oil Company for an unorthodox gas well location and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 560 feet from the South line and 1550 feet from the West line (Unit N) of Section 20, Township 21 South, Range 24 East, Indian Basin-Morrow Gas Pool, all of said Section 20 to be dedicated to said well forming a non-standard 631.58-acre gas spacing and proration unit for said pool which is developed on 640-acre spacing. Said location is approximately 2.5 miles east of the Marathon Oil Company's Indian Basin Gas Plant.

CASE 9123: (Continued from November 18, 1987, Examiner Hearing)

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

CASE 9124: (Continued from November 18, 1987, Examiner Hearing)

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

CASE 9277: Application of Reading and Bates Petroleum Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos Oil Pool underlying all of Section 10, Township 25 North, Range 2 West, forming a standard 640-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is approximately 7 miles north of Lindrith, New Mexico.

CASE 9278: Application of Texaco Producing, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 1350 feet from the South line and 2410 feet from the East line (Unit J) of Section 32, Township 16 South, Range 37 East, Undesignated East Lovington-Pennsylvanian Pool, the NW/4 SE/4 of said Section 32 to be dedicated to the well forming a standard 40-acre oil spacing and proration unit for said pool. Said location is approximately 5.5 miles southeast of Lovington, New Mexico.

CASE 9279: Application of Texaco Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an 80-acre non-standard gas spacing and proration unit comprising the E/2 SE/4 of Section 15, Township 17 South, Range 32 East, Undesignated Maljamar-Queen Gas Pool, to be dedicated to its Federal U.S.A. "C" Well No. 2 located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of said Section 15. Said well is located approximately 2 miles South-Southeast of Maljamar, New Mexico.

CASE 9280: Application of Lewis B. Burleson, Inc. for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for existing State A-7 Well No. 2 located 1650 feet from the South and East lines (Unit J) of Section 7, Township 19 South, Range 37 East, Eumont Gas Pool, and the simultaneous dedication of the previously approved 158.9-acre non-standard gas spacing and proration unit consisting of Lot 3, NE/4 SW/4, and N/2 SE/4 of said Section 7 (Division Order No. R-4481, dated February 14, 1973), to this well and to the existing State A-7 Well No. 1 located 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 7. Said unit is located approximately 1 mile south of the Northern Natural Gas Company (ENRON) Hobbs Gasoline Plant.