

Said area is located approximately 17 miles East of Roswell, New Mexico.

**CASE 13039:** Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the E/2 for all formations developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Vacuum-Atoka Morrow Gas Pool, and the NE/4 for all formations developed on 160-acre spacing in Section 8, Township 17 South, Range 35 East. Applicant proposes to dedicate these pooled units to its Pink Cahill State "8" Well No. 1 which will be drilled at a standard gas well location 1300 feet from the North line and 990 feet from the East line in Unit A of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 7 miles Southwest of Lovington, New Mexico.

**CASE 13040:** Application of David H. Arrington Oil & Gas, Inc. for Approval of a Waterflood Project for its East Hobbs-Blinebry Pool Cooperative Waterflood Area and Qualification of said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its East Hobbs-Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry formation, East Hobbs- Blinebry Pool through one injection well located in the following described area:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM  
Irregular Section 29: Lots 1, 2, 3 and 4 (E/2 equivalent), SW/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located on the New Mexico-Texas State line approximately 2 miles east of Hobbs, New Mexico.

**CASE 13041:** Application of EnerQuest Resources, LLC for approval of a waterflood project and qualification of the Project Area for the Recovered Oil Tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its East Hobbs (San Andres) Unit Waterflood Project by injection of water into the San Andres formations through 19 injection wells located in the following described area:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM

Section 29: SW/4, SW/4 NW/4  
Section 30: S/2, S/2 N/2  
Section 31: N/2 N/2  
Section 32: N/2 NW/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5).

**CASE 13055:** Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Granite Wash formation in the following described spacing and proration units located in the W/2 of Section 11, Township 6 South, Range 26 East: the W/2 for all formations and/or pools developed on 320-acre spacing; the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not limited to the Pecos Slope-Abo Gas Pool; and the SW/4 SW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Stern "BCS" Com Well No. 1 to be drilled at a standard gas well location 660 feet from the South and West Lines (Unit M) of said Section 11. 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 area is located approximately 8.5 miles West of Dougherty, New Mexico.

**CASE 13056:** Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Granite Wash formation in the following described spacing and proration units located in the W/2 of Section 13, Township 6 South, Range 26 East: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Haystack-Cisco Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not limited to the Pecos Slope-Abo Gas Pool; and the SW/4 SW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Stern "BCS" Com Well No. 2 to be drilled at a standard gas well location 660 feet from the South and West Lines (Unit M) of said Section 13. 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 area is located approximately 7.5 miles West of Dougherty, New Mexico.

**CASE 13057:** Application of Yates Petroleum Corporation for amendment of the Special Pool Rules and Regulations for the Pecos Slope-Abo Gas Pool and the West Pecos Slope-Abo Gas Pool, Chaves County, New Mexico. Applicant seeks an order abolishing the requirement in the Special Pool Rules and Regulations of the Pecos Slope-Abo Gas Pool and the West Pecos Slope-Abo Gas Pool that all applications for unorthodox well locations and non-standard spacing units go to hearing. Applicant also requests that the provisions governing administrative applications for unorthodox well locations and non-standard spacing and proration units in these pools be amended to conform to the provisions of Rule 104.D(2) and Rule 104.F of the General Rules and Regulations of the Oil Conservation Division. The Pecos Slope-Abo Gas Pool is located in portions of Townships 4 through 11 and Ranges 24 through 27 East and the West Pecos Slope-Abo Gas Pool is located in portions of Townships 5 through 9 South, Ranges 21 through 23 East. The Pecos Slope-Abo Gas pool is located approximately 4 miles southeast of Fuller, New Mexico. The West Pecos Slope-Abo Gas Pool is located approximately 2 miles west of Roswell, New Mexico.

**CASE 13040:** Continued from March 27, 2003, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for Approval of a Waterflood Project for its East Hobbs-Blinebry Pool Cooperative Waterflood Area and Qualification of said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its East Hobbs-Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry formation, East Hobbs- Blinebry Pool through one injection well located in the following described area:

**TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM**

Irregular Section 29: Lots 1, 2, 3 and 4 (E/2 equivalent), SW/4

formation in Lots 3 and 4, E/2 SW/4 and SE/4 (S/2 equivalent) of Section 31, Township 15 South, Range 35 East, to form a 322.3-acre spacing unit for all formations developed on 320-acre spacing that includes but is not necessarily limited to the Undesignated Southwest Austin-Mississippian Gas Pool and the Undesignated Southwest Austin-Morrow Gas Pool. Applicant proposes to dedicate the pooled units to its Watson "31" Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1980 feet from the East line of said Section 31. 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 area is located approximately 5 miles northwest of Lovington, New Mexico.

**CASE 13074:** Application of NM&O Operating Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Undesignated Blanco-Mesaverde Gas Pool underlying the S/2 of Section 35, Township 25 North, Range 2 West. The unit is to be dedicated to the Hawk Federal Well No. 3, to be recompleted in the subject pool at an orthodox location in the NE/4 SW/4 of Section 35. Also to be considered will be the cost of recompleting the 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 the risk involved in recompleting the well. The well unit is located approximately 4 miles North of Lindrieth, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 13064:** Continued from May 8, 2003, Examiner Hearing.

Application of Paladin Energy Corp. to Abolish Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool, Lea County, New Mexico. Applicant seeks to abolish the Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool located in portions of Sections 33 through 36 of Township 11 South, Range 33 East, and Sections 1 through 4, and 10 through 12 of Township 12 South, Range 33 East. Said pool is located approximately 17 miles west of Tatum, New Mexico.

**CASE 13040:** Continued from April 24, 2003, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for Approval of a Waterflood Project for its East Hobbs-Blinebry Pool Cooperative Waterflood Area and Qualification of said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its East Hobbs-Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry formation, East Hobbs- Blinebry Pool through one injection well located in the following described area:

**TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM**  
Irregular Section 29: Lots 1, 2, 3 and 4 (E/2 equivalent), SW/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located on the New Mexico-Texas State line approximately 2 miles east of Hobbs, New Mexico.

**CASE 13075:** Application of Ricks Exploration Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NW/4 SW/4 of Section 23, Township 12 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent,

spacing within that vertical extent. The units are to be dedicated to applicant's Eidson Ranch "27" State Com. Well No. 1, to be drilled at an orthodox location in the NW/4 NW/4 of Section 27. Also to be considered will be the cost of drilling and completing the 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 the risk involved in drilling and completing the well. The units are located approximately 6½ miles southwest of Lovington, New Mexico.

**CASE 13088:** Application of Ricks Exploration Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NW/4 NW/4 of Section 26, Township 12 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Trinity-Wolfcamp Pool. The unit is to be dedicated to the Burrus 26 Well No. 1, to be drilled at an orthodox oil well location in the NW/4 NW/4 of Section 26. Also to be considered will be the cost of drilling and completing the 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 the risk involved in drilling and completing the well. The unit is located approximately 14 miles east of Tatum, New Mexico.

**CASE 13089:** Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 9, Township 21 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated Alacran Hills-Wolfcamp Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, Undesignated Burton Flat-Atoka Gas Pool, and Undesignated Burton Flat-Morrow Gas Pool. The unit is to be dedicated to applicant's Foster Draw "9" State Com. Well No. 1, to be drilled at an orthodox location in the SW/4 of Section 9. Also to be considered will be the cost of drilling and completing the 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 the risk involved in drilling and completing the well. The unit is located approximately 5½ miles north-northeast of Carlsbad, New Mexico.

**CASE 13090:** Application of Devon Energy Production Company, L. P. for an exception to the well density provisions of the special rules governing the Blanco-Mesaverde Pool, San Juan County, New Mexico. The applicant in this matter proposes to drill its NEBU Well No. 105-B 1005 feet from the South line and 830 feet from the East line (Unit P) of Section 24, Township 30 North, Range 8 West, as a second infill Mesaverde gas well within an existing standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 24, which is located in San Juan County one mile west of the Navajo Reservoir Dam. The eastern boundary of this 320-acre unit abuts the San Juan/Rio Arriba county line. Applicant is seeking an exception to Rule I.B (1) (b) of the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by Division Orders No. R-10987-A and R-10987-A (1), in order to drill and complete this well within the same quarter-quarter section (SE/4 SE/4 of Section 24) as its existing NEBU Well No. 105-A (API No. 30-045-22044), located at a standard infill gas well location 1010 feet from the South line and 920 feet from the East line (Unit P) of Section 24.

**CASE 13040:** Continued from May 22, 2003, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for Approval of a Waterflood Project for its East Hobbs-Blinebry Pool Cooperative Waterflood Area and Qualification of said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its East Hobbs-Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry

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**CASE 13040:** Continued from June 19, 2003, Examiner Hearing.

**Application of David H. Arrington Oil & Gas, Inc. for Approval of a Waterflood Project for its East Hobbs-Blinebry Pool Cooperative Waterflood Area and Qualification of said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.** Applicant seeks approval of its East Hobbs-Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry formation, East Hobbs- Blinebry Pool through one injection well located in the following described area:

**TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM**

**Irregular Section 29: Lots 1, 2, 3 and 4 (E/2 equivalent), SW/4**

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located on the New Mexico-Texas State line approximately 2 miles east of Hobbs, New Mexico.

**CASE 13124:** **Application of Unit Petroleum Company for Compulsory Pooling and an Unorthodox Gas Well Location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from approximately 11,920 feet subsurface to the base of the Morrow formation underlying the E/2 of Section 23, Township 20 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the West Osudo-Morrow Gas Pool. The unit is to be dedicated to applicant's Byers Well No. 1, to be drilled at an unorthodox gas well location 2100 feet from the South line and 1600 feet from the East line (Unit J) of Section 23. Also to be considered will be the cost of drilling and completing the 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 the risk involved in drilling and completing the well. The unit is located approximately 10½ miles southwest of Monument, New Mexico.

**CASE 13115:** Continued from July 24, 2003, Examiner Hearing

**Application of Nadel and Gussman Permian, L.L.C. for a Non-standard Gas Spacing and Proration Unit and an Unorthodox Gas Well Location, or for Alternative Relief, Eddy County, New Mexico.** Applicant seeks an order approving a non-standard gas spacing and proration unit in the Delaware formation comprised of the W/2 SE/4 of Section 28, Township 21 South, Range 27 East. The unit will be dedicated to applicant's existing Tucker Fee Well No. 1Y, located at an unorthodox gas well location 1600 feet from the South line and 2300 feet from the East line of Section 28. In the alternative, applicant requests that the Division declare (i) the well is an oil well because it is within the boundaries of the North Esperanza-Delaware (Oil) Pool, (ii) the NW/4 SE/4 of Section 28 is properly dedicated to the well, and (iii) the well's location is orthodox. The unit is located approximately 3 miles northeast of Carlsbad, New Mexico.

**CASE 13125:** **Application of Pecos Production Company for Pool Creation and Special Pool Rules, Lea County, New Mexico.** Applicant seeks creation of the East Dean-Wolfcamp Pool, to initially cover the SW/4 of Section 2, Township 16 South, Range 37 East, and the promulgation of Special Rules and Regulations for the pool, including provisions for 80-acre spacing. The pool is located approximately 7 miles east of Lovington, New Mexico.

**CASE 13116:** Continued from July 24, 2003, Examiner Hearing

**Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the E/2 of Section 12, Township 21 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated Alacran Hills-Wolfcamp Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, and Undesignated Burton Flat-Morrow Gas Pool. The unit is to be dedicated to applicant's Esperanza "12" Fed. Com. Well No. 1, to be drilled at an orthodox location in the NW/4 NE/4 of Section 12. Also to be considered will be the cost of drilling and completing the 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 the risk involved in drilling and completing the well. The unit is located approximately 7½ miles northeast of Carlsbad, New Mexico.

**CASE 13040:** Continued from August 7, 2003, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for Approval of a Waterflood Project for its East Hobbs-Blinebry Pool Cooperative Waterflood Area and Qualification of said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its East Hobbs-Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry formation, East Hobbs-Blinebry Pool through one injection well located in the following described area:

**TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM**

Irregular Section 29: Lots 1, 2, 3 and 4 (E/2 equivalent), SW/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located on the New Mexico-Texas State line approximately 2 miles east of Hobbs, New Mexico.

**CASE 13101:** Re-advertised.

Application of Chesapeake Operating, Inc. for compulsory pooling, or in the alternative a non-standard gas spacing unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Tubb formation underlying the NW/4 of Section 8, Township 20 South, Range 37 East, forming a standard 160-acre gas spacing unit in the Undesignated West Monument-Tubb Gas Pool (96968). IN THE ALTERNATIVE, applicant seeks to establish a non-standard 120-acre gas spacing unit in the Undesignated West Monument-Tubb Gas Pool comprising the W/2 NW/4 and SE/4 NW/4 of Section 8. Either unit is to be dedicated to the applicant's existing Barber-Adkins "8" Well No. 1 (API No. 30-025-20436), located at a standard gas well location 660 feet from the North and West lines (Unit D) of Section 8, which is located approximately 2.25 miles south-southwest of Monument, New Mexico. Also to be considered, if applicable, will be the costs of re-entering and completing this wellbore and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well.

**CASE 13121:** Continued from August 7, 2003, Examiner Hearing.

Application of Benson-Montin-Greer Drilling Corp. for Qualification of Certain Acreage within the East Puerto Chiquito Mancos Unit for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Rio Arriba County, New Mexico. Applicant seeks to qualify a 6300-acre project area within the East Puerto Chiquito Mancos Unit for the recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Tertiary recovery operations were previously approved in the unit by Division Order No. R-6448 and project area is in portions of Townships 26 and 27 North, Ranges 1 East and 1 West, which is located approximately 15 miles north of Lindrith, New Mexico.

**CASE 13112:** Continued from August 7, 2003, Examiner Hearing.

Application of Pure Resources, L.P. for a blanket exception in the Rincon Unit Area to the well location requirements for the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico. Applicant seeks an exception to the well density requirements of Rule I.C of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit the downhole commingling of production from the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool in wellbores in the Rincon Unit area as previously approved by Division Order No. R-9893. Said wells are located approximately 40 miles southeast of Farmington, New Mexico.

**CASE 13146:** Continued from September 18, 2003, Examiner Hearing.

**Application of EOG Resources, Inc. for Compulsory Pooling and a Non-Standard Gas Spacing Unit, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests below the base of the Strawn formation underlying Lots 3, 4, 5, 6, 11, 12, 13 and 14 of Section 1, Township 16 South, Range 35 East, to form a 342.06-acre non-standard gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Shoe Bar Atoka-Gas Pool. Applicant proposes to dedicate these pooled units to its Giant Stone Fly "1" Well No. 1 that was drilled at a surface location 2264 feet from the North line and 1018 feet from the West line to test the Morrow formation. The well has been recompleted in the Atoka formation 2304 feet from the North line and 947 feet from the West line (Unit E) of said Section 1. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4 miles northwest of Lovington, New Mexico.

**CASE 13040:** Continued from August 21, 2003, Examiner Hearing.

**Application of David H. Arrington Oil & Gas, Inc. for Approval of a Waterflood Project for its East Hobbs-Blinebry Pool Cooperative Waterflood Area and Qualification of said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.** Applicant seeks approval of its East Hobbs-Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry formation, East Hobbs-Blinebry Pool through one injection well located in the following described area:

**TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM**

Irregular Section 29: Lots 1, 2, 3 and 4 (E/2 equivalent), SW/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located on the New Mexico-Texas State line approximately 2 miles east of Hobbs, New Mexico.

**CASE 13153:** Continued from October 9, 2003, Examiner Hearing.

**Application of Pride Energy Company for Cancellation of a Drilling Permit and Re-instatement of a Drilling Permit, an Emergency Order Halting Operations, and Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order canceling one drilling permit and re-instating another drilling permit, ordering operations halted on the well unit, and pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W/2 of Section 12, Township 12 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Four Lakes-Morrow Gas Pool and Undesignated Four Lakes-Mississippian Gas Pool. The unit is to be dedicated to the existing State "X" Well No. 1, located at an orthodox well location in the SW/4 NW/4 of Section 12. Also to be considered will be the cost of re-entering, deepening, and completing the 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 the risk involved in re-entering, deepening, and completing the well. The unit is located approximately 12 miles west-northwest of Tatum, New Mexico.

**CASE 13142:** Continued from October 9, 2003, Examiner Hearing.

**Application of the New Mexico Oil Conservation Division for an Order Requiring Maralo, LLC to Remediate Hydrocarbon Contamination at an Abandoned Well and Battery Site, Lea County, New Mexico.** Applicant seeks an order requiring Maralo, LLC to remediate contamination at the Humble State Well No. 3 site, located in Unit A, Section 36, Township 25 South, Range 36 East.