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3. Article Addressed to: LEONARD OIL COMPANY PO BOX 708 ROSWELL NM 88201	4. Article Number P 176 013 094
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input checked="" type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent, and DATE DELIVERED.	
5. Signature — Address X	Addressee's Address (ONLY if requested and fee paid)
6. Signature — Agent X	
7. Date of Delivery	

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State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



January 9, 1995

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Leonard Oil Company
P.O. Box 708
Roswell, NM 88201

Re: Leonard Oil Company, State B-7717 Well No. 1
Section 2, T19S, R29E, Eddy County, New Mexico

Gentlemen:

Enclosed is a copy of a August 12, 1994, letter to you from Jim Morrow, Acting Supervisor for New Mexico Oil Conservation Division District II, requesting that you inform the OCD by Setember 15, 1994, of your plans to plug the above-referenced well.

The OCD has not received such plans as of the above date and is therefore by this letter informing you of its intent to hold a "show cause" hearing directing you to show cause why an order should not be entered determining that the well should be plugged, directing any plugging bond you posted to be forfeited, and directing you to plug the well. If you do not plug the well and the OCD is required to do so, the OCD will seek to recover any monies expended in plugging the well from you through all available legal means.

If we do not hear from you by February 9, 1995, we will set this matter for the above-described show cause hearing.

Sincerely,

A handwritten signature in cursive script that reads "Rand Carroll".

Rand Carroll
Legal Counsel
New Mexico Oil Conservation Division

cc: Tim Gum, Supervisor, OCD District II
Ray Smith, Oil & Gas Inspector

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

Oil Conservation
827-7131



OIL CONSERVATION DIVISION
RECEIVED

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

BRUCE KING
GOVERNOR



ANITA LOCKWOOD
CABINET SECRETARY

MATTHEW BACA
DEPUTY SECRETARY

August 12, 1994

Leonard Oil Company
P.O. Box 708
Roswell, New Mexico 88201

Re: Leonard Oil Company
State B-7717 Well No.1
Section 2, T19S, R29E
Eddy County, New Mexico

Gentleman:

A recent inspection of this well indicates that it is leaking and not properly plugged. Our files contain a plugging report for the well dated June 29, 1953.

We request that you review your records and contact us concerning the plugging of the well.

We will appreciate your cooperation. Please let us hear from you by September 15, 1994.

Very Truly Yours,

Jim Monrow
Acting Supervisor, Dist. II
JM/sp

CC: Ray Smith
Gary Williams
File
✓ Rand Carroll- Santa Fe

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Oil Conservation Division

Santa Fe, New Mexico 87504-2088

Fold at line over top of envelope to the right of the return address

CERTIFIED MAIL
P 176 013 094

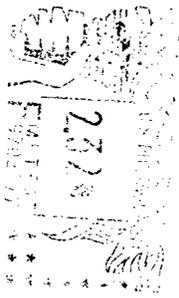
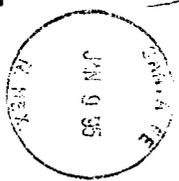
CERTIFIED - RETURN RECEIPT REQUESTED

TO SENDER
INITIALS
ADDRESS UNKNOWN

TO SENDER
INITIALS
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~~LEONARD OIL COMPANY
PO BOX 708
ROSWELL NM 88201~~

RSW
JAN 11 1995



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Return Receipt Service.**

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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

March 17, 1995

CERTIFIED - RETURN
RECEIPT REQUESTED

Leonard Oil Company
P. O. Box 708
Roswell, New Mexico 88201

Re: Leonard Oil Company State B-7717 Well No.
1, located in Unit H of Section 2, Township
19 South, Range 29 East, Eddy County
Plugging Bond

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing to be held on Thursday, April 6, 1995, at 8:15 a.m. in the Oil Conservation Division Hearing Room, 2040 S. Pacheco, Santa Fe, New Mexico. Case 11230 concerns the above captioned subject matter.

Sincerely,

A handwritten signature in black ink that reads "Rand Carroll".

RAND CARROLL
Legal Counsel

RC/fd
enc.

DOCKET: EXAMINER HEARING - THURSDAY - APRIL 6, 1995
8:15 A.M. - 2040 SOUTH PACHECO
SANTA FE, NEW MEXICO

Dockets Nos. 11-95 and 12-95 are tentatively set for April 20, 1995 and May 4, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11202: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit Billy R. Wilson - Robinson Brothers Drilling (Company), Inc., operator, The Travelers Indemnity Company, surety, and all other interested parties to appear and show cause why the State "A" Well No. 1 (API No. 30-015-02331), located 660 feet from the South and West lines (Unit M) of Section 36, Township 19 South, Range 28 East, Eddy County, New Mexico (which is approximately 8 miles southeast by south of the old Illinois Production Camp), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have the well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

CASE 11228: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Rapid Company, Inc., and all other interested parties to appear and show cause why the Copelan State Well No. 1 (API No. 30-005-60372), located 330 feet from the North line and 1650 feet from the West line (Unit C) and the Copelan State Well No. 2, located 660 feet from the North and East lines (Unit A), both in Section 31, Township 10 South, Range 27 East, Chaves County, New Mexico (which is approximately 8 miles northeast of the Bottomless Lake State Park), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said wells, the Division should then be authorized to take such action as is deemed necessary to have both wells properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

CASE 11229: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Phoenix Resources Company, and all other interested parties to appear and show cause why the Powell Well No. 1 (API No. 30-005-60668), located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 23, Township 7 South, Range 28 East, Chaves County, New Mexico (which is approximately 1/2 mile west of Elkins, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have the well properly plugged and abandoned and to direct the owner/operator to pay the costs of such plugging.

CASE 11230: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Leonard Oil Company, and all other interested parties to appear and show cause why the State B-7717 Well No. 1 located approximately 1980 feet from the South line and 660 feet from the East line (Unit H) of Section 2, Township 19 South, Range 29 East, Eddy County, New Mexico (which is approximately 9.5 miles south-southwest of Loco Hills, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have the well properly plugged and abandoned and to direct the owner/operator to pay the costs of such plugging.

CASE 11226: Continued from March 16, 1995, Examiner Hearing.

Application of Santa Fe Energy Resources, Inc. for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the following described acreage in Section 29, Township 22 South, Range 34 East, and in the following manner: the entire section to form a standard 640-acre gas spacing and proration unit for any and all pools developed on 640-acre spacing within said vertical extent which presently includes only the Undesignated North Bell Lake-Devonian Gas Pool; and the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Antelope Ridge-Atoka Gas Pool. Said units are to be dedicated to a single well to be drilled at an unorthodox gas well location 1330 feet from the North and East lines (Unit G) of said Section 29. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 20 miles west by south of Eunice, New Mexico.

CASE 11231: **Application of Enron Oil & Gas Company for compulsory pooling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation, underlying the NW/4 NW/4 (Unit D) of Section 20, Township 25 South, Range 35 East, to form a standard 40-acre oil spacing and proration unit. The applicant proposes to re-enter the Southland Royalty Company Gulf Federal Well No. 1, located at a standard oil well location 660 feet from the North and West lines of said Section 20. Also to be considered will be the costs of re-entering and the recompletion of 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 the risk involved in the re-entry of said well. Said unit is located approximately 12 miles west of Jal, New Mexico.

CASE 11232: Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 24, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Fairchild "24" Well No. 2 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 24. 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 Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles west-northwest of Lakewood, New Mexico.

CASE 11233: Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the SW/4 of Section 13, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Fairchild "13" Well No. 2 to be drilled at a standard location in the SE/4 SW/4 (Unit N) 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 Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4.5 miles west-northwest of Lakewood, New Mexico.

CASE 11222: Continued from March 16, 1995, Examiner Hearing.

Application of Yates Petroleum Corporation for certification of a positive production response pursuant to New Mexico's "Enhanced Oil Recovery Act", Lea County, New Mexico. Applicant, in the above-styled cause, seeks certification, pursuant to the Rules and Procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, for a positive production response on its Sanmal Queen Unit Waterflood Project, which qualified for the recovered oil tax rate under New Mexico's "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5) by Division Order No. R-9961. Said project is located in portions of Sections 1 and 12, Township 17 South, Range 33 East, which is located approximately 3 miles north of Buckeye, New Mexico.

CASE 11223: Continued from March 16, 1995, Examiner Hearing.

Application of Yates Drilling Company for certification of a positive production response pursuant to New Mexico's "Enhanced Oil Recovery Act", Chaves County, New Mexico. Applicant, in the above-styled cause, seeks certification, pursuant to the Rules and Procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, for a positive production response on the "expanded area" of the Cactus Queen (Voluntary) Unit Waterflood Project comprising the SW/4 NE/4, S/2 NW/4, SW/4, and NW/4 SE/4 of Section 34, Township 12 South, Range 31 East, which qualified for the recovered oil tax rate under New Mexico's "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5) by Division Order No. R-9075-B-1. Said area is located approximately 12 miles southwest of west of Caprock, New Mexico.

CASE 11234: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the SW/4 of Section 13, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4.5 miles west-northwest of Lakewood, New Mexico.

CASE 11235: Application of Yates Petroleum Corporation for an unorthodox oil well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location in the North Dagger Draw-Upper Pennsylvanian Pool to be drilled 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 29, Township 19 South, Range 25 East. Said well is to be included within the existing standard 160-acre oil spacing and proration unit comprising the SW/4 of said Section 29 and its production to be simultaneously dedicated with the existing Boyd "X" State Com Well No. 4 located in Unit "K", the Boyd "X" State Com Well No. 2 in Unit "L", and the Aspden "AOH" Federal Com Well No. 1 in Unit "M". Said unit is located approximately 8 miles west of Lakewood, New Mexico.

CASE 11236: Application of Yates Petroleum Corporation for a pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on a portion of its Quincy "AMQ" State lease underlying the NW/4 of Section 12, Township 8 South, Range 27 East, by the injection of water into the Southeast Acme-San Andres Pool through the perforated interval from approximately 2162 feet to 2182 feet in its Quincy "AMQ" State Well No. 8, located 2310 feet from the North and West lines (Unit F) of said Section 12. This area is located approximately 7 miles southwest by west of Elkins, New Mexico.

CASE 11198: (Continued from March 2, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation, underlying the NW/4 of Section 21, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes only the North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to its Hooper "AMP" Well No. 2, which has been drilled at a standard location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.5 miles west by north of Lakewood, New Mexico.

CASE 11199: (Continued from March 2, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation, underlying the SW/4 of Section 21, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes only the North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to its Hooper "AMP" Well No. 1, which has been drilled at a standard location 820 feet from the South line and 660 feet from the West line (Unit M) of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.5 miles west by north of Lakewood, New Mexico.

CASE 11200: (Continued from March 2, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation, underlying the SE/4 of Section 21, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes only the Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to its Patriot "AIZ" Well No. 5, which has been drilled at a standard location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.25 miles west by north of Lakewood, New Mexico.

CASE 11237: Application of Bonneville Fuels Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location in the Undesignated South Humble City-Strawn Pool to be drilled 2030 feet from the South line and 2300 feet from the West line (Unit K) of Section 14, Township 17 South, Range 37 East. The E/2 SW/4 of said Section 14 is to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 5 miles north of the Hobbs Industrial Air Park.

CASE 11238: Application of Marbob Energy Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the South Lone Wolf-Devonian Pool for its White Fang Federal Well No. 1 to be drilled 1353 feet from the North line and 1914 feet from the West line (Unit F) of Section 33, Township 13 South, Range 29 East. The SE/4 NW/4 of said Section 33 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is located approximately 17 miles east by north of Hagerman, New Mexico.

CASE 11239: Application of Marbob Energy Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its Havasu Federal Well No. 1 to test the Devonian formation, at an unorthodox oil well location of 2588 feet from the South line and 2309 feet from the East line (Unit J) in Section 11, Township 13 South, Range 27 East. The NW/4 SE/4 of said Section 11 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 9.5 miles east of Dexter, New Mexico.

CASE 11213: (Continued from March 2, 1995, Examiner Hearing.)

Application of Marala, Inc. 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 from the surface to the base of the Devonian formation, underlying the NW/4 NE/4 (Unit B) of Section 20, Township 13 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit. Said unit is to be dedicated to a well to be drilled at an unorthodox oil well location 350 feet from the North line and 1500 feet from the East line 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, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.25 miles southeast by south of Gladiola, New Mexico.

CASE 11240: Application of Conoco Inc. to reopen Case Nos. 10471 and 10560 to vacate the compulsory pooling provisions of Order No. R-9673-A and for the creation of two non-standard 80-acre spacing and proration units including the assignment of appropriate allowables, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to reopen Case Nos. 10471 and 1560, pursuant to the provisions of Order No. R-9673-A, to vacate the compulsory pooling provision thereof and to create two non-standard 80-acre spacing and proration units consisting of the N/2 NE/4 and the S/2 NE/4 of Section 17, Township 19 South, Range 25 East, for production from the North Dagger Draw-Upper Pennsylvanian Pool, including the assignment of appropriate allowables, designation of operators and other matters. These units are located 8 miles west by north of Lakewood, New Mexico.

CASE 11241: Application of Conoco, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Julie Com Well No. 3 to be drilled 660 feet from the North and East lines (Unit A) of Section 17, Township 19 South, Range 25 East, and completed in both the North Dagger Draw-Upper Pennsylvanian Pool and the Undesignated Boyd-Morrow Gas Pool. Said well location is standard for the Upper Pennsylvanian interval and unorthodox for the Morrow formation. Further, the N/2 of said Section 17 is to be dedicated to said well to form a standard 320-acre gas spacing and proration unit in the Boyd-Morrow Gas Pool. Said unit is located approximately 8 miles west by north of Lakewood, New Mexico.

CASE 11242: Application of Conoco, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Savannah Well No. 1 to be drilled 660 feet from the North and East lines (Unit A) of Section 32, Township 19 South, Range 25 East, and completed in both the Undesignated North Dagger Draw-Upper Pennsylvanian Pool and the Undesignated Cemetery-Morrow Gas Pool. Said well location is standard for the Upper Pennsylvanian interval and unorthodox for the Morrow formation. Further, the N/2 of said Section 32 is to be dedicated to said well to form a standard 320-acre gas spacing and proration unit in the Cemetery-Morrow Gas Pool. Said unit is located approximately 8 miles west of Lakewood, New Mexico.

CASE 11219: Continued from March 16, 1995, Examiner Hearing.

Application of Conoco, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Preston "35-N" Federal Com Well No. 15 to be drilled 860 feet from the North line and 710 feet from the West line (Unit D) in Section 35, Township 20 South, Range 24 East, and completed in both the South Dagger Draw-Upper Pennsylvanian Associated Pool and Cemetery-Morrow Gas Pool. Said well location is standard for the Upper Pennsylvanian interval and unorthodox for the Morrow formation. Further, said well is to be a replacement gas well in the existing standard 320-acre gas spacing and proration unit in the Cemetery-Morrow Gas Pool currently dedicated to its Preston "35-N" Federal Well No. 6, located in Unit "A" of said Section 35. Said unit is located approximately 9 miles west-southwest of Seven Rivers, New Mexico.

CASE 11218: Continued from March 16, 1995, Examiner Hearing.

Application of Neumann Oil & Gas, Inc. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 34, Township 17 South, Range 29 East, and in the following manner: the S/2 thereby forming a standard 320-acre gas spacing and proration unit for any and all pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Grayburg-Strawn Gas Pool, Undesignated-Atoka Gas Pool, Undesignated South Empire-Morrow Gas Pool and the Undesignated Grayburg-Morrow Gas Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled at an unorthodox gas well location 1980 feet from the South line and 1330 feet from the West line (Unit K) of said Section 34. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 5 miles west-southwest of Loco Hills, New Mexico.

CASE 11209: (Reopened)

Application of Amoco Production Company for surface commingling, San Juan County, New Mexico. In the matter of Case 11209 being reopened by Amoco Production Company for authorization to surface commingle Blanco-Mesaverde Pool gas production with South Blanco-Pictured Cliffs Pool gas production from its Jones "A-LS" Well No. 1A (API No. 30-045-22747), located 1460 feet from the South line and 1750 feet from the East line (Lot 2/Unit J) of irregular Section 10, Township 28 North, Range 8 West. Said well is located approximately 10 miles east-southeast of Blanco, New Mexico. IN THE ABSENCE OF OBJECTION THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE 11243: **Application of Amoco Production Company for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the following described acreage in Section 12, Township 29 North, Range 13 West, and in the following manner: the W/2 thereby forming a standard 320-acre gas spacing and proration unit for any and all pools developed on 320-acre spacing within said vertical extent which presently includes only the Basin-Fruitland Coal (Gas) Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated West Kutz-Fruitland Sand Pool and Undesignated West Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single well (the proposed Burnham Gas Com "B" Well No. 1) to be drilled at a standard gas well location in the SW/4 of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2.5 miles east-northeast of Farmington, New Mexico.

CASE 11244: **Application of Amoco Production Company for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the NW/4 of Section 12, Township 29 North, Range 13 West, thereby forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated West Kutz-Fruitland Sand Pool and Undesignated West Kutz-Pictured Cliffs Pool. Said unit is to be dedicated to a single well (the proposed Burnham Gas Com "A" Well No. 1) to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2.5 miles east-northeast of Farmington, New Mexico.

CASE 11245: **Application of Amoco Production Company for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated West Kutz-Pictured Cliffs Pool underlying the NE/4 of Section 14, Township 29 North, Range 13 West, thereby forming a standard 160-acre gas spacing and proration unit. Said unit is to be dedicated to the Roberts Well No. 1 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said area is located approximately 1.5 miles east of Farmington, New Mexico.

CASE 11246: Application of Richardson Operating Company for compulsory pooling and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated West Kutz-Pictured Cliffs Pool underlying the NW/4 of Section 12, Township 29 North, Range 13 West, thereby forming a standard 160-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a single well (the proposed ROPCO Fee "12" Well No. 4) to be drilled at a non-standard gas well location within 200 feet of a point 147 feet from the North line and 1500 feet from the West line of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2.5 miles east-northeast of Farmington, New Mexico.

CASE 11247: Application of Richardson Operating Co. for compulsory pooling, downhole commingling and an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated West Kutz-Pictured Cliffs Pool underlying the SW/4 of Section 12, Township 29 North, Range 13 West, and all mineral interests in the Basin-Fruitland Coal (Gas) Pool, underlying the W/2 of said Section 12, thereby forming a standard 160-acre and 320-acre gas spacing and proration unit for both pools, respectively. Said units are to be dedicated to a single well, the proposed ROPCO Federal "12" Well No. 3, which is to be drilled at a potential unorthodox gas well location within 200 feet of a point 870 feet from the South line and 1180 feet from the West line of said Section 12. Applicant further seeks authorization to commingle Undesignated West Kutz-Pictured Cliffs Pool production with gas production from the Basin-Fruitland Coal (Gas) Pool within the wellbore of said well. Also to be considered will be the cost of participation in said well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well. Said well is located approximately 2.5 miles east-northeast of Farmington, New Mexico.

CASE 11148: (Reopened and Readvertised)

Application of Meridian Oil Inc. for downhole commingling and a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Pool gas production, which is currently dedicated to a non-standard 202.82-acre gas spacing and proration unit comprising Lots 2, 3 and 4, the S/2 SW/4 and the SW/4 SE/4, with gas production from the Basin-Fruitland Coal (Gas) Pool within the wellbore of its existing Zachry Well No. 1 located at a standard gas well location for both intervals 990 feet from the South line and 1650 feet from the West line (Unit N) of Irregular Section 12, Township 28 North, Range 10 West. All of said Section 12 is to be dedicated to the subject well in the Basin-Fruitland Coal Gas Pool forming a non-standard 270.11-acre gas spacing and proration unit. Said well is located approximately 8.5 miles southeast of Bloomfield, New Mexico. In The Absence of Objection, This Application Will Be Taken Under Advisement.

CASE 11248: Application of Bahlburg Exploration, Inc. for directional drilling and unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter the plugged and abandoned Manzano Oil Corporation Kim Harris Well No. 2, located 600 feet from the North line and 797 feet from the East line (Unit A) of Section 12, Township 16 South, Range 36 East, wherein the applicant proposes to kick-off from the vertical portion of the wellbore in a northerly direction to within 50 feet of the following targeted locations (both of which are unorthodox):

- in the Northeast Lovington-Wolfcamp Pool, 300 feet from the North line and 797 feet from the East line of said Section 12, the NE/4 NE/4 to be dedicated to this interval to form a standard 40-acre oil proration unit; and,
- in the Undesignated Northeast Lovington-Pennsylvanian Pool, 50 feet from the North line and 797 feet from the East line of said Section 12, the N/2 NE/4 to be dedicated to form a standard 80-acre oil proration unit.

Said well is located approximately 3 miles east of Lovington, New Mexico.

CASE 11099: (Continued from March 2, 1995, Examiner Hearing.)

Application of **TARA-JON Corporation for compulsory pooling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Drinkard formation underlying the NE/4 NW/4 (Unit C) of Section 27, Township 16 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Garrett-San Andres Pool, Undesignated Garrett-Drinkard Pool, and Undesignated East Garrett-Drinkard Pool. Said pooled unit is to be dedicated to either the plugged and abandoned The Texas Company Gotlieb Ertal Well No. 1 (T.D. - 13,310 feet), located at a standard oil well location 660 feet from the North line and 1982 feet from the West line, more or less, of said Section 27 or, if said Gotlieb Ertal Well No. 1 is found not to be mechanically sound, to a new well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of re-entering and recompleting the old plugged and abandoned well and/or the costs of drilling and completing a new well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the unit and a charge for risk involved in re-entering the old plugged and abandoned well and/or the drilling of a new well. Said unit is located approximately 12 miles north of Hobbs, New Mexico.

CASE 11194: (Continued from March 2, 1995, Examiner Hearing.)

Application of **Charles B. Gillespie, Jr. for a pressure maintenance project and qualification for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to institute a pressure maintenance project in the designated and Undesignated West Lovington-Strawn Pool within its proposed West Lovington Strawn Unit Area (being the subject of Case No. 11195) located in portions of Townships 15 and 16 South, Ranges 35 and 36 East, by the injection of natural gas through the perforated interval from approximately 11,424 feet to 11,434 feet into its existing Speight Fee Well No. 1 located 660 feet from the North line and 2310 feet from the West line (Lot 3/Unit C) of Section 1, Township 16 South, Range 35 East. Applicant further seeks to qualify this project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

CASE 11195: (Continued from March 2, 1995, Examiner Hearing.)

Application of **Charles B. Gillespie, Jr. for statutory unitization, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a pressure maintenance project, all mineral interests in the designated and Undesignated West Lovington-Strawn Pool underlying its proposed West Lovington Strawn Unit Area encompassing some 1457.05-acres, more or less, of Federal, State, and Fee lands comprising all of Section 33 and the W/2 of Section 34 of Township 15 South, Range 35 East, a portion of Section 1, Township 16 South, Range 35 East, and a portion of Section 6, Township 16 South, Range 36 East. Among the matters to be considered at the hearing, pursuant to the "New Mexico Statutory Unitization Act", Sections 70-7-1 et. seq., NMSA, will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investments, to each of the various tracts in the unit area; the determination of credits and changes to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to unit voting procedures, selection, removal or substitution of the unit operator, and time of commencement and termination of unit operations. Said unit area is centered approximately 4.5 miles West-Northwest of Lovington, New Mexico.

CASE 11249: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating, contracting vertical limits, and extending horizontal limits of certain pools in Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Cinta Roja-Delaware Pool. The discovery well is the Pogo Producing Company Antelope 5 Federal Well No. 1 located in Unit F of Section 5, Township 24 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM
Section 5: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Fairview Mills-Bone Spring Pool. The discovery well is the Enron Oil and Gas Company Fairview 14 Fee Well No. 1 located in Unit G of Section 14, Township 25 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM

Section 14: NE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Salt Lake-Atoka Gas Pool. The discovery well is the TOCO LLC Hanson State Well No. 1 located in Unit N of Section 13, Township 20 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM

Section 13: S/2

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the South Salt Lake-Delaware Pool. The discovery well is the Strata Production Company Sam H. Snoddy Federal Well No. 1 located in Unit A of Section 26, Township 20 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM

Section 26: NE/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Salt Lake-Morrow Gas Pool. The discovery well is the TOCO LLC Hanson State Well No. 1 located in Unit N of Section 13, Township 20 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 32 EAST, NMPM

Section 13: S/2

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the San Simon-Strawn Pool. The discovery well is the Mitchell Energy Corporation San Simon 5 State Well No. 2 located in Unit G of Section 5, Township 22 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM

Section 5: NE/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Warren-San Andres Pool. The discovery well is the Conoco Inc. Warren Unit Well No. 108 located in Unit J of Section 28, Township 20 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 28: SE/4

- (h) CONTRACT the vertical limits of the Querecho Plains-Pennsylvanian Pool in Lea County, New Mexico, to include only the Strawn formation and redesignate said pool as the Querecho Plains-Strawn Pool.

- (i) EXTEND the Antelope Ridge-Cherry Canyon Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 10: NE/4

- (j) EXTEND the East Bell Lake-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 33: NE/4

Section 34: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM

Section 29: W/2

- (l) EXTEND the East EK-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 15: SW/4

Section 22: N/2 NW/4

- (m) EXTEND the Southwest Jabalina-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM

Section 19: SW/4

Section 30: W/2

- (n) EXTEND the East Livingston Ridge-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NM:PM

Section 3: SW/4

Section 4: SE/4

- (o) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NM:PM

Section 22: W/2

- (p) EXTEND the Mesa Verde-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NM:PM

Section 6: W/2

- (q) EXTEND the Monument-Tubb Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NM:PM

Section 3: NE/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NM:PM

Section 7: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NM:PM

Section 28: SW/4

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

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NM:PM

Section 3: SE/4

- (t) EXTEND the Red Hills-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NM:PM

Section 1: E/2

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NM:PM

Section 8: SW/4

Section 17: N/2

- (u) EXTEND the Red Tank-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NM:PM

Section 24: SW/4

- (v) EXTEND the West Red Tank-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 14: NE/4

- (w) EXTEND the South Sand Dunes-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 31: NW/4

- (x) EXTEND the North Teague Drinkard-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 4: SW/4
Section 5: SE/4
Section 9: S/2 NW/4

- (y) EXTEND the North Teague Lower Paddock-Blinebry Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 4: SW/4

- (z) EXTEND the North Teague-Tubb Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 5: SE/4
Section 8: NE/4
Section 9: NE/4 and SW/4

- (aa) EXTEND the Northwest Townsend-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 4: S/2 and Lots 11, 12, 13, and 14

CASE 11250: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Devonian production and designated as the Northwest Chisum Siluro-Devonian Pool. The discovery well is the Hanagan Petroleum Corporation Gray Wolf Well No. 1 located in Unit J of Section 33, Township 10 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 33: SE/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Abo production and designated as the North Empire-Abo Pool. The discovery well is the Mack Energy Corporation Big George State Well No. 2 located in Unit J of Section 12, Township 17 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 12: SE/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the West McKittrick Hills-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation Anemone "ANE" Federal Well No. 1 located in Unit K of Section 9, Township 22 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM
Section 9: S/2

- (d) EXTEND the Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 10: SW/4
- (e) EXTEND the South Burton-Yates Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 20: SE/4
- (f) EXTEND the East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 7: W/2
- (g) EXTEND the Cedar Canyon-Bone Spring Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 3: NE/4
- (h) EXTEND the North Cedar Lake-Strawn Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 25: S/2
- (i) EXTEND the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 32: NW/4
- (j) EXTEND the Foster Draw-Delaware Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 5: SW/4
Section 6: SE/4
- (k) EXTEND the Happy Valley-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 33: SW/4
- (l) EXTEND the East Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 1: SE/4
- (m) EXTEND the Ingle Wells-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 34: SW/4
- (n) EXTEND the Northeast Livingston Ridge-Atoka Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 12: SE/4

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM
Section 7: S/2

- (o) EXTEND the Los Medanos-Atoka Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 24: S/2
- (p) EXTEND the ~~Lost Tank~~-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM
Section 2: SW/4
- (q) EXTEND the Nash Draw-Brushy Canyon Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 24: NE/4
- (r) EXTEND the Northwest Poker Lake-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM
Section 12: SE/4
- (s) EXTEND the Southwest Poker Lake-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM
Section 25: SW/4
Section 36: NW/4
- (t) EXTEND the West Sand Dunes-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 3: SW/4
Section 4: SE/4
- (u) EXTEND the Santo Nino-Bone Spring Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 29: NW/4
- (v) EXTEND the Siecrest Draw-Abo Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 31: SE/4
Section 32: SW/4

CASE 11251: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Rio Arriba and San Juan Counties, New Mexico.

- (a) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Grassy-Gallup Oil Pool. The discovery well is the Redwolf Production Inc. Kelly Well No. 1 located in Unit P of Section 25, Township 30 North, Range 15 West, NMPM. Said pool would comprise:
TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM
Section 25: SE/4 SE/4
- (b) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Greek-Gallup Oil Pool. The discovery well is the Dugan Production Corporation Monte Carlo Well No. 1 located in Unit M of Section 16, Township 30 North, Range 15 West, NMPM. Said pool would comprise:
TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM
Section 16: SW/4 SW/4

- (c) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Pictured Cliffs production and designated as the La Jara-Pictured Cliffs Pool. The discovery well is the Meridian Oil Inc. San Juan 30-6 Well No. 92A located in Unit I of Section 33, Township 30 North, Range 7 West, NMPM. Said pool would comprise:

TOWNSHIP 30 NORTH, RANGE 7 WEST, NMPM

Section 33: SE/4

- (d) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Pictured Cliffs production and designated as the Navajo City-Pictured Cliffs Pool. The discovery well is the Meridian Oil Inc. San Juan 30-6 Well No. 66 located in Unit K of Section 14, Township 30 North, Range 7 West, NMPM. Said pool would comprise:

TOWNSHIP 30 NORTH, RANGE 7 WEST, NMPM

Section 14: SW/4

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

TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM

Section 29: NE/4

- (f) EXTEND the Bisti-Chacra Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM

Section 18: W/2

Section 19: N/2

Section 20: NW/4

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

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM

Section 33: NW/4

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

TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM

Section 5: W/2

Section 6: E/2

TOWNSHIP 30 NORTH, RANGE 7 WEST, NMPM

Section 31: E/2

Section 32: W/2

- (i) EXTEND the Choza Mesa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 4 WEST, NMPM

Section 20: NE/4

Section 21: NW/4

- (j) EXTEND the Crouch Mesa-Mesaverde Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 1: NE/4

- (k) EXTEND the Gavilan-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM

Section 36: E/2

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

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM

Section 13: W/2

- (m) EXTEND the Rosa-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM

Section 8: S/2

Section 16: All

Section 17: NW/4 and E/2

Section 21: SE/4

Section 22: NE/4

- (n) EXTEND the Tapacito-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM

Section 19: W/2

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM

Section 5: NW/4

Section 6: N/2 and SW/4

Section 7: S.2 and NW/4

Section 18: W/2

TOWNSHIP 27 NORTH, RANGE 5 WEST, NMPM

Sections 1 and 2: All

Section 10: SE/4

Section 11: All

Section 12: N/2 and SE/4

Section 13: E/2

Section 14: All

Section 15: NE/4

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM

Section 24: SW/4

Section 25: All

Section 26: S/2

Section 27: S/2

Section 28: S/2

Section 31: NE/4

Section 32: N/2

Sections 33 through 36: All

State of New Mexico

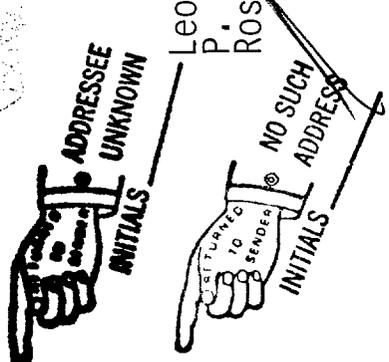
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

2040 South Pacheco

P.O. Box 6429

Santa Fe, New Mexico 87505-5472

Name _____
 First Notice 4/3
 Second Notice _____
 Return 4/18



Leonard Oil Company
 P. O. Box 708
 ROSWELL, NM 88201

at line over top of envelope to the
 right of the return address

CERTIFIED

Z 765 963 415

MAIL

L.N.
 NO SUCH BOX #

07010102

Is your **RETURN ADDRESS** completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. Addressee's Address
 - 2. Restricted Delivery
- Consult postmaster for fee.

3. Article Addressed to:

Leonard Oil Company
P. O. Box 708
Roswell, NM 88201

4a. Article Number

Z 765-963-415

4b. Service Type

- Registered
- Insured
- COD

Return Receipt for Merchandise

7. Delivery Address

8. Addressee's Address (Only if requested and fee is paid)

5. Signature (Addressee)

6. Signature (Agent)

PS Form 3811, December 1991 ☆ U.S.G.P.O.: 1992-307-530 **DOMESTIC RETURN RECEIPT**

Thank you for using Return Receipt Service.

Leonard Oil Co.
State B 7717 #1
Ut I-2-19-27

8 5/8" at 375' 50 Sxs cement
7" at 2550' 100 Sxs cement

1. Move in and rig up plugging contractor
2. Remove dry hole marker and prepare well head and rig up BOP
2. Begin drilling operations. Drill out the following plugs:
 - (A) Surface
 - (B) 1055'-1060'
 - (C) 1591'-1605'
 - (D) 2250'-2280'
 - (E) 2950'-2975'
4. Run in hole with tubing and packer and test casing. Depending on condition of casing we may need to continue drilling and testing.
5. Spot a 100' plug at 2975'
6. Spot a 100' plug at 2250'
7. Spot a 100' plug at 1650'
8. Spot a 100' plug at 1000'
9. Perforate 7" casing at 425' and squeeze 100 Sx of cement
10. If possible circulate cement on the 8 5/8" casing either by perforating or using holes in casing.
11. Spot a 10 Sx surface plug and dry hole marker.
12. Set new marker.
13. Mud between plugs.

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
OCD	EXHIBIT NO. 3
CASE NO.	11230