
CASE 11495: (Continued from March 21, 1996, Examiner Hearing.)

Application of Penwell Energy, Inc. 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 N/2 of Section 28 for all formations developed on 320-acre spacing, the NW/4 of Section 28 for all formations developed on 160-acre spacing, the N/2 NW/4 of Section 28 for all formations developed on 80-acre spacing and the NE/4 NW/4 of Section 28 for all formations developed on 40-acre spacing, all in Township 23 South, Range 26 East. Applicant proposes to dedicate this pooled unit to its F. H. State "28" Com Well No. 1 to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 28 to test any and all formations to the base of the Morrow formation. 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 the risk involved in drilling said well. Said unit is located approximately 10 miles south of Carlsbad, New Mexico.

CASE 11483: (Continued from March 21, 1996, Examiner Hearing.)

Application of Penwell Energy, Inc. for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the N/2 of Section 33, Township 21 South, Range 33 East, for all formations developed on 320-acre spacing. Said unit is to be dedicated to the J. D. Federal 33 Well No. 1 to be drilled at an unorthodox location 660 feet from the North line and 2080 feet from the East line in the N/2 of Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said unit is located approximately 24 miles west of Eunice, New Mexico.

CASE 11506: **Application of Penwell Energy, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the W/2 of Section 32 for all formations developed on 320-acre spacing, the SW/4 of Section 32 for all formations developed on 160-acre spacing, the N/2 SW/4 of Section 32 for all formations developed on 80-acre spacing, and the NE/4 SW/4 of Section 32 for all formations developed on 40-acre spacing, all in Township 21 South, Range 26 East. Applicant proposes to dedicate this pooled unit to its Rifleman North AFQ 32 State Com Well No. 1 to be drilled at a standard location 1980 feet from the South and West lines in Unit K of said Section 32 to test any and all formations to the base of the Strawn formation. 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 the risk involved in drilling said well. Said area is located approximately 4 miles west-northwest of Carlsbad, New Mexico.

CASE 11490: (Continued from March 7, 1996, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Salkar, Inc., the Travelers Indemnity Company, and all other interested parties to appear and show cause why the El Cheapo Well No. 1 located in Unit F of Section 35, Township 18 South, Range 27 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond.

CASE 11399: (Continued from March 7, 1996, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Diamond Back Petroleum Inc. and all other interested parties to appear and show cause why the following two wells located in Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug any or all of said wells, the Division seeks an order directing the operator to pay the costs of such plugging and if failing to do so, ordering a forfeiture of the plugging bond, if any, covering said wells:

Margie Kay Well No. 1, located 1980 feet from the North line and 1980 feet from the West line (Unit F) of Section 7, Township 17 South, Range 28 East.

Margie Kay Well No. 1, located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 7, Township 17 South, Range 28 East.

DOCKET: EXAMINER HEARING - THURSDAY - APRIL 4, 1996

8:15 A.M. - 2040 South Pacheco
Santa Fe, New Mexico

Dockets Nos 12-96 and 13-96 are tentatively set for April 18, 1996 and May 2, 1996. 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 11502: **Application of Conoco, Inc. to amend Division Order No. R-10476 for an additional unorthodox gas well location, Rio Arriba County, New Mexico.** Applicant seeks to amend Division Order No. R-10476, which order authorized the downhole commingling of Basin-Dakota Pool and Blanco-Mesaverde Pool gas production within 14 existing and 17 proposed wells within its San Juan 28-7 Unit located in portions of Townships 27 and 28 North, Range 7 West. The No. 159-M unit well is to be drilled at an unorthodox "infill" gas well location for both zones 1605 feet from the South line and 330 feet from the East line (Unit 1) of Section 22, Township 28 North, Range 7 West. The existing 320-acre standard gas spacing and proration units for both intervals consisting of the E/2 of said Section 22, which is located approximately 24 miles southeast of Bloomfield, New Mexico, is to be dedicated to said well. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE 11491: (Continued from March 21, 1996, Examiner Hearing.)

Application of Santa Fe Energy Resources, Inc. 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 following described acreage in Section 20, Township 22 South, Range 28 East, and in the following manner: the N/2 of Section 20 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Dublin Ranch-Atoka Gas Pool; the Undesignated Dublin Ranch-Morrow Gas Pool; and the Undesignated Otis-Morrow Gas Pool; the NW/4 of Section 20 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent; and the NE/4 NW/4 of Section 20 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within said vertical extent, including the Undesignated Indian Draw-Delaware Pool and the Undesignated Herradura Bend-Cherry Canyon Pool. Said unit is to be dedicated to applicant's Foal Fed. Well No. 1, to be drilled at an unorthodox well location 660 feet from the North line and 1980 feet from the West line (Unit C) 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 operator of the well and a charge for the risk involved in drilling said well. Said unit is located approximately 7 miles north of Loving, New Mexico.

CASE 11503: **Application of Amoco Production Company for an exception to Division Rule 303.A to permit surface commingling, San Juan County, New Mexico.** Applicant seeks an exception to Division Rule 303.A to permit the surface commingling of production from the Blanco Pictured Cliffs and Blanco Mesaverde Gas Pools from its Hutchin LS Well No. 1A located in Unit P of Section 7, Township 31 North, Range 10 West. Said well is located approximately 5 miles north-northeast of Aztec, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE 11504: **Application of Manzano Oil Corporation for pool creation and special pool rules, Chaves County, New Mexico.** Applicant seeks the creation of a new pool for the production of oil from the Bough "C" formation, comprising the E/2 SW/4 of Section 16, Township 14 South, Range 30 East, and the promulgation of special pool rules therefor including provisions for 80-acre spacing units and special well location requirements. Said area is located approximately 24 miles east of Hagerman, New Mexico.

CASE 11464: (Continued from March 21, 1996, Examiner Hearing)

Application of Penwell Energy, Inc. for pool creation, special pool rules and a discovery allowable, Eddy County, New Mexico. Applicant seeks the creation of a new pool for the production of oil from the Bone Spring formation comprising the W/2 NE/4 of Section 7, Township 22 South, Range 26 East, the assignment of a discovery allowable, and the promulgation of special pool rules therefor including provisions for 80-acre oil spacing units and designated well location requirements. Said area is located approximately 15 miles south of Loving, New Mexico.

CASE 11505: **Application of Penwell Energy, Inc. for an exception to the salt protection casing string requirements of Division Order No. R-111-P, Lea County, New Mexico.** Applicant seeks authority to delete the salt protection casing string requirements of Division Order No. R-111-P in the "Oil Potash Area" from its proposed J.D. Federal 33 Well No. 1 to be drilled as a wildcat well 660 feet from the North line and 2080 feet from the East line (Unit B) of Section 33, Township 21 South, Range 33 East, to test the Morrow formation. Said well site is located approximately 24 miles west of Eunice, New Mexico.

CASE 11493: Application of Bonneville Fuels Corporation for pool contraction, pool creation, the promulgation of special pool rules, and the assignment of a special limiting gas-oil ratio, Lea County, New Mexico. Applicant seeks to contract the boundaries of the South Humble City-Strawn Pool by deleting therefrom the W/2 SW/4 of Section 13 and the S/2 of Section 14, both in Township 17 South, Range 37 East, and the concomitant creation of a new pool for the production of oil from the Strawn formation comprising said acreage. The applicant further seeks the promulgation of special rules and regulations therefor, including provisions for 80-acre spacing and proration units, designated well location requirements, and a gas-oil ratio limitation of 8,000 cubic feet of gas per barrel of oil. The above-described area is located approximately 2.5 miles north of Humble City, New Mexico.

CASE 11494: Application of Enron Oil & Gas Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 7, Township 24 South, Range 34 East for all formations developed on 320-acre spacing. Applicant proposes to dedicate this pooled unit to its Bell Lake Unit 7 Well No. 1 to be drilled at a standard location 2200 feet from the North line and 1980 feet from the East line (Unit G) of said Section 7 to test any and all formations to the base of the Morrow formation, South Bell Lake-Morrow Gas Pool. 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 the risk involved in drilling said well. Said unit is located approximately 20 miles southwest of Eunice, New Mexico.

CASE 11495: Application of Penwell Energy, Inc. 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 N/2 of Section 28 for all formations developed on 320-acre spacing, the NW/4 of Section 28 for all formations developed on 160-acre spacing, the N/2 NW/4 of Section 28 for all formations developed on 80-acre spacing and the NE/4 NW/4 of Section 28 for all formations developed on 40-acre spacing, all in Township 23 South, Range 26 East. Applicant proposes to dedicate this pooled unit to its F. H. State "28" Com Well No. 1 to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 28 to test any and all formations to the base of the Morrow formation. 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 the risk involved in drilling said well. Said unit is located approximately 10 miles south of Carlsbad, New Mexico.

CASE 11483: (Continued from March 7, 1996, Examiner Hearing.)

Application of Penwell Energy, Inc. for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the N/2 of Section 33, Township 21 South, Range 33 East, for all formations developed on 320-acre spacing. Said unit is to be dedicated to the J. D. Federal 33 Well No. 1 to be drilled at an unorthodox location 660 feet from the North line and 2080 feet from the East line in the N/2 of Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said unit is located approximately 24 miles west of Eunice, New Mexico.

CASE 11464: (Continued from March 7, 1996, Examiner Hearing)

Application of Penwell Energy, Inc. for pool creation, special pool rules and a discovery allowable, Eddy County, New Mexico. Applicant seeks the creation of a new pool for the production of oil from the Bone Spring formation comprising the W/2 NE/4 of Section 7, Township 22 South, Range 26 East, the assignment of a discovery allowable, and the promulgation of special pool rules therefor including provisions for 80-acre oil spacing units and designated well location requirements. Said area is located approximately 15 miles south of Loving, New Mexico.

CASE 11484: (Readvertised)

Application of Yates Petroleum Corporation to amend the special pool rules and regulations for the Indian Basin-Upper Pennsylvanian Associated Pool established by Order No. R-9922, Eddy County, New Mexico. Applicant seeks the promulgation of special rules and regulations for the Indian Basin-Upper Pennsylvanian Associated Pool, including the authorization of no more than one well per 80 acres, allowing the simultaneous dedication of acreage to both oil and gas wells, a special limiting gas-oil ratio of 10,000 cubic feet of gas for each barrel of oil produced, and a special oil allowable for the pool of 1400 barrels of oil per day. Said pool is located approximately 16 miles west of Carlsbad, New Mexico.

CASE 11496: Application of Amoco Production Company for surface commingling, San Juan County, New Mexico. Applicant seeks an exception to Division general Rule 303.A to permit surface commingling of Fulcher Kutz-Pictured Cliffs Pool gas production from its Bolack "F" Well No. 1 (API No. 30-045-29233), located 1570 feet from the North line and 1510 feet from the West line (Unit F) of Section 2, Township 27 North, Range 11 West, with Basin-Dakota Pool gas production from its Bolack "A" Well No. 1-E (API No. 30-045-25747), located 1700 feet from the North line and 1520 feet from the West line (Unit F) of said Section 2. Said wells are located approximately 3 miles north-northeast of Bloomfield, New Mexico. IN THE ABSENCE OF OBJECTION THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 21, 1996

8:15 A.M. - 2040 South Pacheco
Santa Fe, New Mexico

Dockets Nos 10-96 and 11-96 are tentatively set for April 4, 1996 and April 18, 1996. 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 11473: (Continued from February 22, 1996, Examiner Hearing.)

Application of Enserch 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 Delaware formation underlying the SW/4 NE/4 of Section 21, Township 25 South, Range 36 East, to form 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. Said unit is to be dedicated to its Moberly "21" Well No. 1 to be drilled at a standard well location 1980 feet from the North and East lines (Unit G) of said Section 21. Also to be considered will be the cost 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 the risk involved in drilling said well. Said unit is located approximately 4 miles west of Jal, New Mexico

CASE 11491: **Application of Santa Fe Energy Resources, Inc. 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 following described acreage in Section 20, Township 22 South, Range 28 East, and in the following manner: the N/2 of Section 20 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Dublin Ranch-Atoka Gas Pool; the Undesignated Dublin Ranch-Morrow Gas Pool; and the Undesignated Otis-Morrow Gas Pool; the NW/4 of Section 20 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent; and the NE/4 NW/4 of Section 20 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within said vertical extent, including the Undesignated Indian Draw-Delaware Pool and the Undesignated Herradura Bend-Cherry Canyon Pool. Said unit is to be dedicated to applicant's Foal Fed. Well No. 1, to be drilled at an unorthodox well location 660 feet from the North line and 1980 feet from the West line (Unit C) 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 operator of the well and a charge for the risk involved in drilling said well. Said unit is located approximately 7 miles north of Loving, New Mexico.

CASE 11461: (Continued from March 7, 1996, Examiner Hearing)

Application of Santa Fe Energy Resources, Inc. for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant 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: All of Section 29 to form a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, including the Undesignated North Bell Lake-Devonian Gas Pool; and the E/2 of Section 29 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, including the Undesignated Antelope Ridge-Atoka Gas Pool. Said units are to be dedicated to the applicant's Shamrock "29" Fed Com. Well No. 1 to be drilled at an orthodox gas well location 1330 feet from the North and East lines (Unit G) of the Section. Also to be considered will be the cost 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 the risk involved in drilling said well. Said units are located approximately 16 miles southwest of Eunice, New Mexico.

CASE 11470: (Continued from February 22, 1996, Examiner Hearing)

Application of Energy Development Corporation for salt water disposal, Sandoval County, New Mexico. Applicant seeks authority to inject produced water into the Menefee formation through perforations from 2,438 - 2,624 feet in its existing San Isidro (Shallow) Unit Well No. 7-11, located 2074 feet from the South line and 1,650 feet from the West line (Unit K) of Section 7, Township 20 North, Range 2 West. Said well is located approximately 8 miles southwest of Cuba, New Mexico.

CASE 11492: **Application of Strata Production Company for a unit agreement, Eddy County, New Mexico.** Applicant seeks approval of the West Loving Exploratory Unit Agreement for an area comprising 1,400 acres, more or less, of federal, state, and fee lands in Sections 23, 27 and 28 of Township 23 South, Range 27 East. Said unit area is located approximately 3 1/2 miles west of Loving, New Mexico.

CAMPBELL, CARR & BERGE, P.A.

LAWYERS

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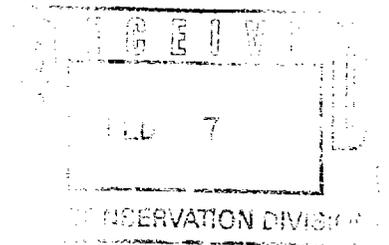
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February 27, 1996

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505



Re: Oil Conservation Division Case No. 11483:
Application of Penwell Energy, Inc. for Compulsory Pooling and an
Unorthodox Well Location, Lea County, New Mexico

Dear Mr. LeMay:

Penwell Energy, Inc., applicant in the above-captioned case, respectfully requests that this matter which is currently set on the Division docket for the March 7, 1996 hearings be continued to the March 21, 1996 Examiner docket.

Your attention to this matter is appreciated.

Very truly yours,

WILLIAM F. CARR

WFC:mlh

cc: Mr. Mark Wheeler

- CASE 11480:** Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Gas Pool production (160-acre standard dedication comprising the SW/4) with gas production from the Blanco-Mesaverde Gas Pool (320-acre standard dedication comprising the W/2) within the wellbore of its existing Hancock Well No. 3 located 890 feet from the South line and 990 feet from the West line (Unit M) of Section 22, Township 28 North, Range 9 West. Applicant further seeks an exception to the pressure differential limitations of Rule 303(C)(b)(v). Said well is located approximately 5 miles southeast of Blanco, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.
- CASE 11481:** Application of Nearburg Exploration Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its proposed Black River "10" Federal Com Well No. 1 at an unorthodox gas well location 1330 feet from the North line and 990 feet from the West line (Unit E) of Section 10, Township 24 South, Range 26 East, to be dedicated to a standard 320-acre spacing unit consisting of the W/2 of said Section 10 and to be dedicated to any and all production therein including but not necessarily limited to the Undesignated South Carlsbad-Morrow Gas Pool. Said unit is located approximately 10 ½ miles southwest of Whites City, New Mexico.
- CASE 11482:** Application of SDX Resources, Inc. for approval of a leasehold pilot waterflood project and to qualify said project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its State "7" Leasehold Waterflood Project by injection of water into the Queen and Grayburg formations of the East Millman-Queen-Grayburg-San Andres Pool, in a new project area consisting of 611.20 acres, more or less and being all of Section 7, Township 19 South, Range 29 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 12 ½ miles southwest of Loco Hills, New Mexico.
- CASE 11464:** (Continued from February 22, 1996, Examiner Hearing.)
- Application of Penwell Energy, Inc. for pool creation, special pool rules and a discovery allowable, Eddy County, New Mexico. Applicant seeks the creation of a new pool for the production of oil from the Bone Spring formation comprising the W/2 NE/4 of Section 7, Township 22 South, Range 26 East, the assignment of a discovery allowable, and the promulgation of special pool rules therefor including provisions for 80-acre oil spacing units and designated well location requirements. Said area is located approximately 15 miles south of Loving, New Mexico.
- CASE 11483:** Application of Penwell Energy, Inc. for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the N/2 of Section 33, Township 21 South, Range 33 East, for all formations developed on 320-acre spacing. Said unit is to be dedicated to the J. D. Federal 33 Well No. 1 to be drilled at an unorthodox location 660 feet from the North line and 2080 feet from the East line in the N/2 of Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said unit is located approximately 24 miles west of Eunice, New Mexico.
- CASE 10748:** (Reopened - Continued from February 22, 1996, Examiner Hearing.)
- In the matter of Case No. 10748 being reopened pursuant to the provisions of Division Order No. R-9922-B, which order continued Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico, in full force and effect until January, 1996. Operators in the subject pool may appear and show cause why the Temporary Special Rules and Regulations for the Indian Basin-Upper Pennsylvanian Associated Pool should not be rescinded and the pool developed on statewide rules and regulations. Said pool is located approximately 16 miles west of Carlsbad, New Mexico.
- CASE 11484:** Application of Yates Petroleum Corporation to amend the special pool rules and regulations for the Indian Basin-Upper Pennsylvanian Associated Pool, established by Order No. R-9922, Eddy County, New Mexico. Applicant seeks the promulgation of special rules and regulations for the Indian Basin-Upper Pennsylvanian Associated Pool, including the authorization of no more than one well per 80 acres, allowing the simultaneous dedication of acreage to both oil and gas wells and a special limiting gas-oil ratio of 10,000 cubic feet of gas for each barrel of oil produced. Said pool is located approximately 16 miles west of Carlsbad, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 7, 1996

8:15 A.M. - 2040 South Pacheco
Santa Fe, New Mexico

Dockets Nos 9-96 and 10-96 are tentatively set for March 21, 1996 and April 4, 1996. 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 11463: (Continued from February 8, 1996, Examiner Hearing.)

Application of Robert L. Bayless for downhole commingling, San Juan County, New Mexico. Applicant, seeks approval to downhole commingle production from Fulcher Kutz-Pictured Cliffs and Aztec Fruitland Sand Pools within the wellbore of its Horn Canyon Well No. 1 located 1190 feet from the North line and 1055 feet from the West line (Unit D) of Section 15, Township 28 North, Range 11 West. Said well is located approximately 4 miles south of Bloomfield, New Mexico.

CASE 11460: (Readvertised)

Application of Santa Fe Energy Resources, Inc. for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Tomcat Unit Agreement for an area comprising 3,840 acres, more or less, of federal, state, and fee lands consisting of all or parts of Sections 8, 15-17, 20-22, and 28, Township 23 South, Range 32 East. Said unit area is centered approximately 5 miles northeast of the intersection of State Highway 128 with the Eddy/Lea County line.

CASE 11461: (Continued from February 22, 1996, Examiner Hearing.)

Application of Santa Fe Energy Resources, Inc. for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico. Applicant 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: All of Section 29 to form a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, including the Undesignated North Bell Lake-Devonian Gas Pool; and the E/2 of Section 29 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, including the Undesignated Antelope Ridge-Atoka Gas Pool. Said units are to be dedicated to the applicant's Shamrock "29" Fed Com. Well No. 1 to be drilled at an orthodox gas well location 1330 feet from the North and East lines (Unit G) of the Section. Also to be considered will be the cost 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 the risk involved in drilling said well. Said units are located approximately 16 miles southwest of Eunice, New Mexico.

CASE 11456: (Continued from February 22, 1996, Examiner Hearing.)

Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the NE/4 NE/4 of Section 18, Township 23 South, Range 32 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. Said unit is to be dedicated to the applicant's Tomcat 18 Fed. Well No. 1 to be drilled at an orthodox oil well location. Also to be considered will be the cost 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 the risk involved in drilling said well. Said unit is located approximately 4 miles north of the intersection of Highway FAS 1271 and the border between Lea and Eddy Counties.

CASE 11479: **Application of Exxon Corporation for a non-standard gas proration unit, simultaneous dedication and two unorthodox gas well locations, Lea County, New Mexico.** Applicant seeks to establish a non-standard 159.92-acre gas spacing and proration unit for Blinebry Oil and Gas Pool production comprising Lots 2, 3, and the S/2 NW/4 of Section 2, Township 22 South, Range 37 East. Said unit is to be dedicated to its existing New Mexico "S" State Well Nos. 14, 38 and 28, located in Units C, E, and F, respectively. Applicant also seeks approval of an unorthodox gas well location for Well No. 38, located 2100 feet from the North line and 660 feet from the West line (Unit F) of said Section 2 and for Well No. 28, located 2160 feet from the North line and 1800 feet from the West line (Unit F) of said Section 2. Said proration unit is located two miles southeast of Eunice, New Mexico.

CASE 11459: (Readvertised)

Application of Conoco, Inc. to Amend Division Administrative Order DHC-1170, Lea County, New Mexico. Applicant seeks to amend the original allowable set forth in Division Order DHC-1170 which approved the commingling of production from the Warren Blinebry -Tubb Oil and Gas Pool and the Warren-Drinkard Pool in its Warren Unit Well No. 95, located 660 feet from the South and East lines (Unit P) of Section 28, Township 20 South, Range 38 East. Said well is located approximately 7 miles north of Eunice, New Mexico.