

*(DE NOVO)***CASE 11508:** ~~(Continued from April 4, 1996, Examiner Hearing.)~~

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Spur Oil Inc., Old Republic Insurance Company, and all other interested parties to appear and show cause why the Samantha Well No. 1 located in Unit L of Section 26, Township 28 North, Range 1 East; Samantha Well No. 2 located in Unit K of Section 26, Township 28 North, Range 1 East; Samantha Well No. 3 located in Unit N of Section 26, Township 28 North, Range 1 East; Gonzales 13 Well No. 1 located in Unit I of Section 13, Township 31 North, Range 1 East; Gonzales 18 Well No. 1 located in Unit M of Section 18, Township 31 North, Range 2 East; Quinlan Ranch Well No. 1 located in Unit H of Section 23, Township 32 North, Range 2 East; and the Quinlan Ranch Well No. 2 located in Unit N of Section 19, Township 31 North, Range 3 East; Rio Arriba 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. The three Samantha wells are located approximately 5 miles west-northwest of El Vado, New Mexico. The Gonzales 13 Well No. 1 and Gonzales 18 Well No. 1 are located approximately 4 and 6 miles east of Monero, New Mexico, respectively. The Quinlan Ranch Well Nos. 1 and 2 are located approximately 6 miles northwest and 6 miles north-northwest of Chama, New Mexico, respectively.

CASE 11509: (Continued from April 4, 1996, Examiner Hearing.) *Upon application of Fred B. Shelton, Jr., this case will be heard De Novo pursuant to the provisions of Rule 1420. O.C.D.*

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Chuza Operating, Underwriters Indemnity Co., and all other interested parties to appear and show cause why the El Poso Ranch Wells Nos. 1, 2, 3, 4, 7, 9 and 10, located in Units E of Section 26, P of Section 22, F of Section 14, C of Section 23, J of Section 14, N of Section 11, and O of Section 14, respectively, all in Township 28 North, Range 1 East, Rio Arriba 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. Said wells are located approximately 4 miles northwest of El Vado, New Mexico.

CASE 11467: (Reopened)

Application of the Oil Conservation Division for a show cause hearing requiring Southwest Water Disposal, Inc. (SWD) to appear and show cause why it should not be ordered to comply with its permit requirements and close its commercial clay lined surface evaporation pond located in the SE/4 SW/4, Section 32, Township 30 North, Range 9 West, San Juan County, New Mexico. Said facility is located approximately 3 miles north-northeast of Blanco, New Mexico.

CASE 11510: (Continued from April 4, 1996, Examiner Hearing.)

Application of Branko, Inc. et al to reopen Case No. 10656, Lea County, New Mexico. Applicant seeks approval to reopen Case No. 10656 (Order No. R-9845) regarding the compulsory pooling of certain interests in a standard 320-acre gas spacing and proration unit comprising the W/2 of Section 28, Township 20 South, Range 33 East, which is dedicated to Mitchell Energy Corporation's Tomahawk "28" Federal Com Well No. 1 located in Unit F of said Section 28. Said unit is located approximately 20 miles south-southeast of Maljamar, New Mexico.

CASE 11530: 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 Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Northwest Corral Canyon-Delaware Pool. The discovery well is the Santa Fe Energy Resources, Inc. Corral Fly Unit Well No. 1 located in Unit G of Section 2, Township 25 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM

Section 2: E/2
Section 11: NE/4

- (b) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Pennsylvanian production and designated as the Elkins-Pennsylvanian Gas Pool. The discovery well is the Walter Exploration, Inc. J. G. O'Brien Well No. 4 located in Unit L of Section 31, Township 7 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 29 EAST, NMPM

Section 31: W/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Happy Valley-Bone Spring Pool. The discovery well is the Pennwell Energy, Inc. Rookie State Well No. 1 located in Unit B of Section 7, Township 22 South, Range 26 East, NMPM. Said pool would comprise:

ASE 11476: (Continued from April 18, 1996, Examiner Hearing.)

Application of Doyle Hartman and Margaret Hartman, d/b/a Doyle Hartman, Oil Operator, for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the SW/4 of Section 23, Township 26 South, Range 37 East for all formations developed on 160-acre spacing. Said unit is to be dedicated to a well to be drilled at a standard location 1980 feet from the South line and 660 feet from the West line of said Section 23 and drilled to the Rhodes Yates-Seven Rivers Gas Pool. 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 area is located approximately 5 miles south-southeast of Jal, New Mexico.

CASE 11528: Application of Doyle Hartman and Margaret Hartman, d/b/a Doyle Hartman, Oil Operator, and James A. Davidson to rescind Division Administrative Order NSL-3633, as amended, and for an order contracting the Rhodes (Oil) Pool and extending the Rhodes Yates-Seven Rivers Gas Pool, Lea County, New Mexico. The applicants, in the above-styled cause, seek to contract the boundaries of the Rhodes (Oil) Pool by deleting therefrom the NE/4, NE/4 NW/4, and NE/4 SE/4 of Section 26, Township 26 South, Range 37 East, and the concomitant extension of the Rhodes Yates-Seven Rivers (unprorated) Gas Pool to include the W/2 NE/4 and NE/4 NW/4 of said Section 26. The applicants further seek an order from the Division rescinding those provisions of Division Administrative Order NSL-3633, as amended, approving the unorthodox location of the Meridian Oil, Inc. Rhodes "B" Federal Well No. 7 located 330 feet from the North line and 1470 feet from the West line (Unit C of said Section 26. Said well and area described above is located approximately 7 miles south-southeast of Jal, New Mexico.

CASE 11529: Application of Doyle Hartman and Margaret Hartman, d/b/a Doyle Hartman, Oil Operator for (i) an amendment to Division Order No. R-5448, (ii) an acreage rededication, (iii) the formation of two non-standard gas proration units, (iv) an unorthodox gas well location, (v) compulsory pooling, and (vi) an order requiring Meridian Oil, Inc. to compensate applicant for certain revenues received by Meridian corresponding to the 320-acre non-standard gas proration unit previously approved by Division Order No. R-5448, Lea County, New Mexico. Applicant seeks to amend Division Order No. R-5448, dated June 8, 1977, which authorized the formation of a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 E/2 and E/2 W/2 of Section 7, Township 20 South, Range 37 East, and had dedicated thereon the Britt Well Nos. 3 and 12, located in Units "G" and "C", respectively, of said Section 7 (both wells are now operated by Meridian Oil, Inc.), by rededicating to said wells a 200-acre non-standard gas proration unit to comprise the W/2 NE/4, E/2 NW/4, and NE/4 SW/4 of said Section 7 and the formation of a 120-acre non-standard gas proration unit to comprise the SE/4 SW/4 and W/2 SE/4 of said Section 7. The applicant further seeks an order pooling all mineral interests within said Eumont Gas Pool underlying the proposed 120-acre non-standard gas spacing and proration unit, which is to be dedicated to a well to be drilled and completed at an orthodox location within said unit. 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 unit and a charge for risk involved in drilling and completing said well. Further, the applicant seeks an order from the Division directing Meridian Oil, Inc. to compensate Doyle Hartman, Oil Operator its proportional share of revenues, for the period September 1, 1991 to the present, corresponding to the 320-acre non-standard unit previously approved under Order No. R-5448. Said 320-acre tract is located approximately 3 miles south southwest of Monument, New Mexico.

CASE 11448: (Continued from March 21, 1996, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit Rhonda Operating Co., owner/operator, American Employers' Insurance Company, surety, and all other interested parties to appear and show cause why the State 29 Well No. 2, located 1977 feet from the North line and 670 feet from the East line (Unit H) of Section 29, Township 8 South, Range 33 East, Chaves County, New Mexico (which is approximately 17 miles southeast of Kenna, 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 11507: (Continued from April 4, 1996, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Petroleum Development Corporation, United New Mexico Bank, Albuquerque, New Mexico, and all other interested parties to appear and show cause why the El Poso Ranch Well Nos. 8 and 11, located in Unit N of Section 14 and Unit K of Section 14, both in Township 28 North, Range 1 East, Rio Arriba 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. Said wells are located approximately 4 miles northwest of El Vado, New Mexico.