

CASE 11854: **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 E/2 for all formations developed on 320-acre spacing, the NE/4 for all formations developed on 160-acre spacing, the S/2 NE/4 for all formations developed on 80-acre spacing, and the SE/4 NE/4 for all formations developed on 40-acre spacing, all in Section 14, Township 21 South, Range 27 East. Applicant proposes to dedicate this pooled unit to its Lonetree "14" State Com Well No. 1 to be drilled as a wildcat well at a standard location 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 14 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 risk involved in drilling said well. Said area is located approximately 7 miles northeast of Carlsbad, New Mexico.

CASE 11830: (Continued from August 21, 1997, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation, underlying the S/2 for all formations developed on 320-acre spacing, including the Avalon-Morrow Gas Pool, the West Burton Flat-Strawn Gas Pool and the Avalon-Upper Pennsylvanian Gas Pool; underlying the SW/4 for all formations developed on 160-acre spacing; underlying the E/2 SW/4 for all formations developed on 80-acre spacing; and underlying the NE/4 SW/4 for all formations developed on 40-acre spacing in Section 15, Township 21 South, Range 26 East. Said units are to be dedicated to its Carlsbad "15" Federal Com Well No. 1 to be drilled at a standard location 1980 feet from the South line and 1850 feet from the West line (Unit K) of said Section 15. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles northwest of Carlsbad, New Mexico.

CASE 11840: (Continued from September 4, 1997, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the E/2, in all formations developed on 160-acre spacing underlying the NE/4, in all formations developed on 80-acre spacing underlying the S/2 NE/4, and in all formations developed on 40-acre spacing underlying the SE/4 NE/4, from the surface to the base of the Pennsylvanian formation, Undesignated Leslie Spring-Pennsylvanian Gas Pool, in Section 20, Township 7 South, Range 26 East. Said units are to be dedicated to the proposed Bean Com Well No. 2 which will be drilled at a standard location 1980 feet from the North line and 660 feet from the East line (Unit H) 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 risk involved in drilling said well. Said area is located approximately 8 miles north-northeast of the intersection of US Highway 70 and the Pecos River in New Mexico.

CASE 11806: (Reopened)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 100 feet below the Loco Hills Sand formation to the top of the Mississippian formation in all formations developed on 320-acre spacing underlying the W/2, including the Sand Tank-Morrow Gas Pool; in all formations developed on 160-acre spacing underlying the NW/4; and in all formations developed on 40-acre spacing underlying the SE/4 NW/4 of Section 1, Township 18 South, Range 29 East. Said units are to be dedicated to the Cerritos APT Federal Com Well No. 1 located 1980 feet from the North and West lines (Unit F) of said Section 1 to test all formations from the surface 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 risk involved in drilling said well. Said area is located approximately 20 miles east of Artesia, New Mexico.

CASE 11850: (Continued from September 4, 1997, Examiner Hearing.)

Application of Diamond Head Properties, L. P., et al, for clarification of Division Order No. R-10731-B, Eddy County, New Mexico. Applicants, Diamond Head Properties, L. P. and its joint interest owners, Grover Family, L.P., Dugan Production Corp., Pennant Petroleum Inc. and Glenn S. Brant, (collectively the "Diamond Head Group") seek clarification of Order No. R-10731-B, issued February 2, 1997, and request that the Division order KCS Medallion Resources, Inc. ("KCS") to distribute to Diamond Head Properties and its joint owners their proportionate share of any nonconsenting working interest owner's share of production plus the 200% risk factor penalty. Said pooled unit is located approximately 10 miles north of Carlsbad, New Mexico.

CASE 11855: In the matter of the hearing called by the Oil Conservation Division to consider:

The creation of the following pools in San Juan County:

Blanco-Farmington Sand Pool in
Township 29 North, Range 10 West;

South Crouch Mesa-Fruitland Sand Pool
in Township 29 North, Range 11 West;

The extension of the following pools in San Juan County:

Aztec-Fruitland Sand
Barker Dome-Desert Creek
Blanco-Mesaverde
West Kutz-Pictured Cliffs
Pinon-Gallup

The extension of the Eagle Mesa-Entrada Oil Pool in Sandoval County;

The extension of the Otero-Chacra Pool in Rio Arriba and San Juan Counties.

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.