

CASE 10273: Application of Jack A. Cole for designation of a tight formation, San Juan, Rio Arriba, and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Gallup formation underlying portions of Townships 23 and 24 North, Ranges 6, 7, and 8 West, containing 81,920 acres, more or less, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Section 271.701-705. Said area surrounds the Lybrook and Counselor, New Mexico region.

CASE 10274: Application of Maralex Resources, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, NE/4 and E/2 NW/4 (N/2 equivalent) of Section 18, Township 30 North, Range 11 West, forming a standard 326.01-acre gas spacing and proration unit for said pool. Said well is to be dedicated to either the existing B.H. Keyes and M.N. Keys Trust Brimhall Well No. 1 to be recompleted up-hole from the Aztec-Pictured Cliffs Pool to said coal gas zone located at a standard coal gas well location 990 feet from the North and East lines (Unit A) of said Section 18 or, if said Brimwell Well No. 1 is not found to be mechanically sound, to a new well to be drilled at a standard coal gas well location in the NE/4 of Said Section 18. 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 unit is located approximately 1.5 miles south of the Aztec, New Mexico Municipal Airport.

CASE 10275: Application of Maralex Resources, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, NE/4, E/2 NW/4 of Section 19, Township 30 North, Range 11 West, forming a standard 327.10-acre gas spacing and proration unit for said pool. Said well is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 19. 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 unit is located approximately 2.5 miles south of the Aztec, New Mexico Municipal Airport.

CASE 10276: Application of Maralex Resources, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the E/2 of Section 24, Township 30 North, Range 12 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said well is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles east of Flora Vista, New Mexico.

CASE 10233: (Continued from March 7, 1991, Examiner Hearing.)

Application of Mobil Exploration & Producing Company for approval of salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the South Vacuum Devonian Pool, in the open hole interval from approximately 11,800 feet to 13,970 feet in its State Section 27 Well No. 1 located 660 feet from the North line and 1983 feet from the East line (Unit B) of Section 27, Township 18 South, Range 35 East. Said well is located approximately 5 miles east of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 9582: (Reopened and Continued)

In the matter of Case 9582 being reopened pursuant to the provisions of Division Order No. R-8872, which order promulgated special rules and regulations for the Hat Mesa-Bone Spring Pool in Lea County, New Mexico, including provisions for 80-acre spacing and proration units and designated well location requirements. Operators in said pool may appear and show cause why the temporary rules for the Hat Mesa-Bone Spring Pool should not be rescinded.

In the matter of the hearing called by Oil Conservation Division on its own motion for an order creating, assigning a discovery allowable and extending certain pools in Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Queen production and designated as the Buffalo-Queen Pool. In addition, the discovery well for said Buffalo-Queen Pool, the Harvey E. Yates Company Atlantic 32 State Well No. 1 located in Unit C of Section 32, Township 18 South, Range 33 East, is entitled to and should receive a bonus discovery allowable in the amount of 22,100 barrels of oil to be assigned over a two year period. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 32: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Tubb production and designated as the South Fowler-Tubb Pool. The discovery well is the Chevron USA Inc. Plains Knight Well No. 2 located in Unit N of Section 23, Township 24 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 23: SW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the South Shoe Bar-Wolfcamp Pool. The discovery well is the Mobil Exploration and Producing US Inc. Lovington Deep State Well No. 3 located in Unit G of Section 1, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 1: NE/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production and designated as the Young-Grayburg Pool. The discovery well is the Siete Oil & Gas Corporation Inca Federal Well No. 8 located in Unit F of Section 17, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 17: NW/4

- (e) EXTEND the Bilbrey-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 27: S/2

- (f) EXTEND the South Corbin-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 19: SE/4

- (g) EXTEND the West Corbin-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 12: SE/4

- (h) EXTEND the South Corbin-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 26: SW/4
Section 27: SE/4

- (i) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 8: NW/4

- (j) EXTEND the Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 31: SW/4

- (k) EXTEND the East Gem-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 14: E/2

- (l) EXTEND the East Grama Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM
Section 27: E/2

- (m) EXTEND the Lane-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 36: NW/4

- (n) EXTEND the Osudo-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 17: S/2

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

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM
Section 6: S/2

- (p) EXTEND the Quail Ridge-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM
Section 3: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 4: SW/4

Section 5: SE/4

- (r) EXTEND the South Vacuum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 16: NE/4

CASE 10278: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, assigning a discovery allowable, and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Cisco/Canyon production and designated as the Upper Pennsylvanian Gas Pool. The discovery well is the Yates Petroleum Agave "AAJ" State Well No. 2 located in Unit K of Section 32, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 32: S/2

Section 33: All

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the West Dagger Draw-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Alexander "AHX" Federal Well No. 1 located in Unit C of Section 33, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 33: N/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Hart Draw-Atoka Gas Pool. The discovery well is the Newbourne Oil Company Federal R Well No. 1 located in Unit M of Section 17, Township 17 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 17: S/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Los Medanos-Delaware Pool. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 16: SW/4

In addition, the discovery well for said Los Medanos-Delaware Pool, the Yates Petroleum Corporation, Medano "VA" State Well No. 1 located in Unit K of Section 16, Township 23 South, Range 31 East, NMPM, is entitled to and should receive a bonus discovery allowable in the amount of 21,090 barrels of oil to be assigned over a two year period.

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Palmillo Draw-Atoka Gas Pool. The discovery well is the Chevron USA, Inc. Artesia State Com. Well No. 3 located in Unit F of Section 23, Township 18 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 23: N/2

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Palmillo Draw-Strawn Gas Pool. The discovery well is the Mondo Drilling Company Alscott Federal Well No. 1 located in Unit G of Section 31, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 31: N/2

- (g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Russell-Bone Spring Pool. The discovery well is the Siete Oil & Gas Corporation Indigo Federal Well No. 1 located in Unit L of Section 13, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 13: SW/4

- (h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Serpentine Bends-Delaware Gas Pool. The discovery well is the Yates Energy Corporation Sidewinder Well No. 1 located in Unit F of Section 20, Township 24 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM

Section 20: NW/4

- (i) EXTEND the Bandana Point-Strawn Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 23 EAST, NMPM.
Section 27: W/2
- (j) EXTEND the Burton-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM.
Section 18: SE/4
- (k) EXTEND the North Burton Flat-Atoka Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM.
Section 22: N/2
- (l) EXTEND the East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM.
Section 22: N/2
- (m) EXTEND the Cabin Lake-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM.
Section 2: NE/4
- (n) EXTEND the East Catclaw Draw-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM.
Section 8: SE/4
- (o) EXTEND the South Dagger Draw-Upper Pennsylvanian Association Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM.
Section 12: S/2
- (p) EXTEND the Elkins-San Andres Gas Pool in Chaves County, New Mexico, to include therein:
TOWNSHIP 7 SOUTH, RANGE 28 EAST, NMPM.
Section 25: SW/4
- (q) EXTEND the Frontier Hills-Strawn Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM.
Section 21: W/2
- (r) EXTEND the East Loving-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM.
Section 13: SW/4
Section 22: NW/4
- (s) EXTEND the Millman-Grayburg Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM.
Section 24: NE/4
- (t) EXTEND the Parkway-Bone Spring Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM.
Section 34: SW/4
- (u) EXTEND the Parkway-Delaware Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM.
Section 2: NE/4
- (v) EXTEND the Pierce Crossing-Bone Spring Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM.
Section 19: NE/4
- (w) EXTEND the Red Lake Atoka-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM.
Section 21: N/2