

STATE OF NEW MEXICO
ENERGY, MINERALS, NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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OIL CONSERVATION DIVISION

In the Matter of the Hearing
Called By the Oil Conservation
Division for the Purpose of
Considering the Application of
Knox Industries, Inc. for
Special Pool Rules, Lea
County, New Mexico.

Case No. 10280

APPLICATION

COMES NOW, the Applicant Knox Industries, Inc., by and through its attorneys Montgomery & Andrews, P.A., and requests that the Division adopt special pool rules for the Milnesand-Abo Pool, Lea County, New Mexico. The Milnesand-Abo Pool is comprised of the E/2 of Section 33 and the S/2 of Section 34 of Township 8 South, Range 35 East and the NW/4 of Section 3 of Township 9 South, Range 35 East, N.M.P.M., Lea County, New Mexico. In support of this Application, Knox states:

1. Knox Industries, Inc. is an operator of properties within the current boundaries of the Milnesand-Abo Pool.
2. Applicant believes that the Abo formation within the Milnesand-Abo Pool represents a separate source of supply from other pools and believes that wells drilled within the Milnesand-Abo Pool are capable of draining more than 40 acres and, therefore, request that the spacing in the proposed pool be established at 80 acres.
3. Applicant believes that the adoption of 80-acre spacing and proration units for wells drilled in the Milnesand-Abo Pool will operate to prevent waste of natural resources and will operate to protect the correlative rights of various interest owners in wells within that pool.

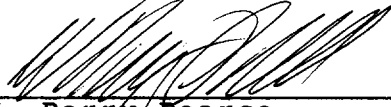
4. Applicant believes that to encourage orderly development in this pool, any operator drilling in the Milnesand-Abo Pool should be allowed to dedicate the N/2, S/2, E/2 or W/2 of any governmental quarter section included within the pool to the well.

WHEREFORE, Applicant Knox Industries, Inc. prays that the Division enter its order adopting special pool rules for the Milnesand-Abo Pool providing for 80-acre spacing and dedication of the N/2, S/2, E/2 or W/2 of a governmental quarter section to each well, and that other statewide oil pool rules be applicable to this pool.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By


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[WPP/141]

Dockets Nos. 12-91 and 13-91 are tentatively set for May 2, 1991 and May 16, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - APRIL 18, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before Jim Morrow, Examiner or Michael E. Stogner, or David R. Catanach, Alternate Examiners:

CASE 10280: Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10281: Application of Yates Energy 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 Delaware formation underlying the SE/4 NE/4 of Section 12, Township 18 South, Range 31 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing, which presently includes but is not necessarily limited to the Shugart Pool, Undesignated North Shugart-San Andres Pool, and Undesignated East Shugart-Delaware Pool. Said well is to be dedicated to a well to be drilled at a standard oil 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles southwest by south of Maljamar, New Mexico.

CASE 10282: Application of Woodbine Petroleum, Inc. for an exception to Division Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-3221, as amended, to permit the disposal of water produced in conjunction with the production of oil and gas from its surrounding leases into an unlined pit to be located in the SW/4 SE/4 (Unit O) of Section 11, Township 19 South, Range 31 East. Said area is located approximately 13.5 miles south-southwest of Maljamar, New Mexico.

CASE 10256: (Readvertised)

Application of LBO New Mexico, 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 Mississippian formation or to a depth of 11,200 feet, whichever is deeper, underlying the following described acreage in Section 9, Township 11 South, Range 33 East, and in the following manner: the S/2 forming 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, the SW/4 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; the W/2 SW/4 forming a standard 80-acre oil spacing and proration unit in the North Bagley-Permo Pennsylvanian Pool; and the NW/4 SW/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing. Said units are to be dedicated to a single well to be drilled 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 9 being a standard well location for 40, 80, and 160-acre spacing units but an unorthodox gas well location for a 320-acre spacing 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 5 miles east by south of Caprock, New Mexico.

CASE 10234: (Continued from March 21, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ordovician formation underlying the following described acreage in Section 29, Township 9 South, Range 26 East, and in the following manner: 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 Foor Ranch-PrePermian Gas Pool and Undesignated East Bitter Lakes-Wolfcamp Gas Pool; the NE/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 South Pecos Slope-Abo Gas Pool; and the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre oil spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled 1980 feet from the North line and 2310

feet from the East line (Unit G) of said Section 29, which is a standard oil and gas well location for zones spaced on 320 acres and 40 acres but is an unorthodox gas well location for zones spaced on 160 acres. 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 7 miles north of Mile Marker No. 167 on U.S. Highway 380.

CASE 10263: (Continued from March 21, 1991, Examiner Hearing.)

Application of Giant Exploration & 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 Basin-Fruitland Coal (Gas) Pool underlying the E/2 of Section 30, Township 25 North, Range 12 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 30. 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 9 miles southwest by west of the B.I.A. Huerfano Community School.

CASE 10258: (Continued from March 7, 1991, Examiner Hearing. This case will be dismissed.)

Application of Nearburg Producing 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 Morrow formation underlying the N/2 of Section 23, Township 20 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Laguna Valley-Morrow Gas Pool. Said unit is to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 4.5 miles south of U.S. Highway 62/180 at Mile Marker No. 80.5.

CASE 10283: Application of Nearburg Producing Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation, in the open hole interval from approximately 10,300 feet to 10,700 feet in the previously plugged and abandoned Coquina Oil Corporation Aikman State Well No. 1 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 27, Township 19 South, Range 25 East. Said well is located approximately 5.5 miles west of Lakewood, New Mexico.

CASE 10284: Application of American Hunter Exploration, Ltd. for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location in the West Puerto Chiquito-Mancos Oil Pool to be drilled 600 feet from the North line and 1150 feet from the East line (Unit A) of Section 2, Township 27 North, Range 1 West, all of said Section 2 to be dedicated to said well forming a standard 645.28-acre oil spacing and proration unit for said pool. Said unit is located approximately 24 miles south by east of Dulce, New Mexico.

CASE 10285: Application of American Hunter Exploration, Ltd. for a high angle/ horizontal/ directional drilling pilot project, special operating rules therefor, and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the formation of a 640-acre non-standard oil spacing and proration unit in the East Puerto Chiquito-Mancos Oil Pool comprising all of Section 8, Township 27 North, Range 1 East, for the purpose of initiating a high angle/ horizontal directional drilling pilot project. The applicant proposes to commence its Jicarilla 8-I Well No. 1 to be located at a standard oil well location 2000 feet from the South line and 500 feet from the East line (Unit I) of said Section 8, drill vertically to a depth of approximately 2300 feet, evaluate the pay zone, plug-back to an appropriate depth and kick-off in a westerly direction, build angle to approximately 80 degrees, and continue to drill a high angle hole in the Mancos formation for approximately 2000 feet. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of said wellbore to a target window described as a rectangle 1250 to 2750 feet from the South line and 500 to 3000 feet from the East line of said Section 8. Also to be considered will be special allowable provisions for a quadruple sized oil proration unit for this pool. Said unit is located approximately 7 miles west by south of El Vado, New Mexico.

Dockets Nos. 14-91 and 15-91 are tentatively set for May 16, 1991 and May 30, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - MAY 2, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, or Jim Morrow, Alternate Examiners:

CASE 10292: Application of Chevron USA, Inc. to amend Division Order No. R-1084-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-1084-A, dated November 10, 1969, which authorized a 480-acre non-standard gas spacing and proration unit in the Eumont Gas Pool comprising the SW/4 of Section 1 and the N/2 of Section 12, both in Township 22 South, Range 36 East, to be simultaneously dedicated to its H. T. Mattern (NCT-E) Well Nos. 10 and 11 located in Unit N of Section 1 and Unit B of Section 12, respectively. At this time the applicant requests to delete the SW/4 NW/4 of said Section 12 from the proration unit reducing the acreage to 440 acres for both Eumont Gas wells. Said unit area is located approximately 4 miles west-southwest of Eunice, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 10293: Application of Yates Energy Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Scratchy Ranch State Exploratory Unit Agreement for an area comprising 5,120.00 acres, more or less, of State lands in Township 15 South, Range 32 East, which is located approximately 11 miles north-northeast of Maljamar, New Mexico.

CASE 10294: Application of Yates Energy Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Eidson Ranch Exploratory Unit Agreement for an area comprising 2990.08 acres, more or less, of State, Federal, and Fee lands in Township 16 South, Range 33 East, which is located approximately 8 miles northeast by north of Maljamar, New Mexico.

CASE 10295: Application of Yates Energy 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 Delaware formation or to a depth of 5600 feet, whichever is appropriate, underlying the SW/4 SW/4 (Unit M) of Section 1, Township 18 South, Range 31 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing, which presently includes but is not necessarily limited to the Undesignated Shurgart Pool and the North Shurgart-San Andres Pool. Said unit is to be dedicated to a well to be drilled at a standard oil 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles southwest by south of Maljamar, New Mexico.

CASE 10281: (Continued from April 18, 1991, Examiner Hearing.)

Application of Yates Energy 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 Delaware formation underlying the SE/4 NE/4 of Section 12, Township 18 South, Range 31 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing, which presently includes but is not necessarily limited to the Shugart Pool, Undesignated North Shugart-San Andres Pool, and Undesignated East Shugart-Delaware Pool. Said well is to be dedicated to a well to be drilled at a standard oil 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles southwest by south of Maljamar, New Mexico.

 (Continued from April 18, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10282: (Continued from April 18, 1991, Examiner Hearing.)

Application of Woodbine Petroleum, Inc. for an exception to Division Order No. R-3221, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-3221, as amended, to permit the disposal of water produced in conjunction with the production of oil and gas from its surrounding leases into an unlined pit to be located in the SW/4 SE/4 (Unit O) of Section 11, Township 19 South, Range 31 East. Said area is located approximately 13.5 miles south-southwest of Maljamar, New Mexico.

CASE 10263: (Continued from April 18, 1991, Examiner Hearing.)

Application of Giant Exploration & 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 Basin-Fruitland Coal (Gas) Pool underlying the E/2 of Section 30, Township 25 North, Range 12 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 30. 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 9 miles southwest by west of the B.I.A. Huerfano Community School.

CASE 10296: Application of Mewbourne Oil Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the following described acreage in Section 1, Township 18 South, Range 27 East, and in the following manner: Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) forming a standard 320.52-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 Empire-Pennsylvanian Gas Pool, Undesignated Scoggin Draw-Strawn Gas Pool, Undesignated Scoggin Draw-Atoka Gas Pool, Undesignated North Illinois Camp-Morrow Gas Pool, and Undesignated Scoggin Draw-Morrow Gas Pool; and the SE/4 NW/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to a single well to be drilled at an unorthodox location 1650 feet from the North line and 1350 feet from the West line (Unit F) of said Section 1. 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 5 miles southeast of Riverside, New Mexico.

CASE 10289: (Continued from April 18, 1991, Examiner Hearing.)

Application of BHP Petroleum (Americas) Inc. for amendment of Division Order No. R-9351, Lea County, New Mexico. Division Order No. R-9351 authorized an unorthodox oil well location to test the Strawn formation 1250 feet from the South line and 1725 feet from the East line (Unit O) of Section 20, Township 17 South, Range 37 East, whereby the SW/4 SE/4 of said Section 20 would be dedicated to said well to form a standard 40-acre oil proration unit. At this time the applicant, in the above-styled cause, seeks to deepen its Kimbrough State Well No. 1 to the base of the Devonian formation and to amend said Order No. R-9351 to include all formations from the base of the Strawn formation to the base of the Devonian formation in the provisions set forth in said Order. Said well is located approximately 3.5 miles west-northwest of Humble City, New Mexico.

CASE 10290: (Continued from April 18, 1991, Examiner Hearing.)

Application of Avon Energy Corporation for amendment of Division Order Nos. R-3185, R-3185-A and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-3185, R-3185-A, and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project to 450 psi above the formation parting pressure as determined from step-rate tests for four (4) certain injection wells in the entire Grayburg-San Andres formation of the Grayburg-Jackson Pool within the project area being all or parts of Sections 17, 20, 29, and 30 of Township 17 South, Range 31 East. Said project area is located approximately 4.5 miles east of Loco Hills, New Mexico.

Dockets Nos. 15-91 and 16-91 are tentatively set for May 30, 1991 and June 13, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner or Jim Morrow, or Michael E. Stogner, Alternate Examiners:

CASE 10293: (Continued from May 2, 1991, Examiner Hearing.)

Application of Yates Energy Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Scratchy Ranch State Exploratory Unit Agreement for an area comprising 5,120.00 acres, more or less, of State lands in Township 15 South, Range 32 East, which is located approximately 11 miles north-northeast of Maljamar, New Mexico.

CASE 10294: (Continued from May 2, 1991, Examiner Hearing.)

Application of Yates Energy Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Eidson Ranch Exploratory Unit Agreement for an area comprising 2990.08 acres, more or less, of State, Federal, and Fee lands in Township 16 South, Range 33 East, which is located approximately 8 miles northeast by north of Maljamar, New Mexico.

CASE 10304: Application of Cibola Energy Corporation for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Tularosa Unit Agreement for an area comprising 18,290.61 acres, more or less, of State and Federal lands in Townships 13 and 14 South, Ranges 10 and 11 East, which is approximately 5 to 13 miles west of Mescalero, New Mexico.

(Continued from May 2, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10263: (Continued from May 2, 1991, Examiner Hearing.)

Application of Giant Exploration & 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 Basin-Fruitland Coal (Gas) Pool underlying the E/2 of Section 30, Township 25 North, Range 12 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 30. 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 9 miles southwest by west of the B.I.A. Huerfano Community School.

CASE 10305: Application of LBO New Mexico, 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 Mississippian formation or to a depth of 11,200 feet, whichever is deeper, underlying the following described acreage in Section 9, Township 11 South, Range 33 East, and in the following manner: the S/2 forming 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, possibly the SW/4 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; the N/2 SW/4 forming a standard 80-acre oil spacing and proration unit in the North Bagley-Permo Pennsylvanian Pool; and the NW/4 SW/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing. Said units are to be dedicated to a single well to be drilled 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 9 being a standard well location for 40, 80, and 160-acre spacing units but an unorthodox gas well location for a 320-acre spacing 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 5 miles east by south of Caprock, New Mexico.

CASE 10306: Application of Conoco Inc. for surface commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division (General) Rule 309-A for the surface commingling of North Dagger Draw-Unger Pennsylvanian Pool production from wells on 15 separate leases in an area comprising all of Sections 17 and 18, W 1/2 of Section 19 and the N/2 and SE/4 of Section 30, all in Township 19 South, Range 25 East, and the S/2 of Section 36, Township 19 South, Range 24 East, which is located approximately 15 miles west of Lakewood, New Mexico.

CASE 10245: (Reopened and Continued from May 2, 1991, Examiner Hearing.)

In the matter of Case 10245 being reopened pursuant to the provisions of Division Order No. R-9467-A, which order stayed Division Order No. R-9467, dated March 15, 1991, which order in turn created, designated and promulgated Special Rules and Regulations for the Warren-Blinebry Tubb Oil and Gas Pool, located in Township 20 South, Range 38 East, Lea County. Said order was a companion case to the Division's approval of Conoco's request for expansion of its Conoco Southland Blinebry Cooperative Waterflood Project in Division Case No. 10220 (Order No. R-6906-B). Further, Division Order No. R-9467 with an effective date of March 1, 1991 also provided for the following:

1. an expansion and contraction to the horizontal limits of the Blinebry Oil and Gas Pool;
2. a contraction to the horizontal limits of the Warren-Tubb Gas Pool; and
3. the creation and designation of the East Warren-Tubb Gas Pool.

CASE 10307: Application of Bird Creek Resources, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the East Loving-Delaware Pool in the perforated interval from approximately 4000 feet to 4450 feet in a well to be drilled 1157 feet from the North line and 491 feet from the East line (Unit A) of Section 5, Township 23 South, Range 28 East. Said location is approximately 2.5 miles northeast of Loving, New Mexico.

CASE 10283: (Continued from May 2, 1991, Examiner Hearing.)

Application of Nearburg Producing Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation, in the open hole interval from approximately 10,300 feet to 10,700 feet in the previously plugged and abandoned Coquina Oil Corporation Atkinson State Well No. 1 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 27, Township 19 South, Range 25 East. Said well is located approximately 5.5 miles west of Lakewood, New Mexico.

CASE 10308: Application of Stevens Operating Corporation for pool creation, special pool rules, and a discovery allowable, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Devonian production comprising the NE/4 of Section 28, Township 13 South, Range 29 East, and the promulgation of special rules therefor including provisions for 160-acre spacing and designated well location requirements whereby wells would be no closer than 330 feet to the outer boundary of a spacing unit. Applicant further seeks the assignment of a discovery allowable for its McClellan Federal Well No. 1 located 2190 feet from the North line and 1990 feet from the East line (Unit H) of said Section 28, as provided by Division (General) Rule 509. Said area is located approximately 17.5 miles east by north of Hagerman, New Mexico.

CASE 10309: Application of Union Oil Company of California d/b/a as UNOCAL for special gas allowables, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the provisions of Division Order No. R-8170, as amended, establishing a special gas allowable rate of 500 MCF of gas per day for three certain wells to be completed in the Blanco-Mesaverde and/or Basin-Dakota Pools in the SE/4 of Section 22 and NW/4 of Section 20, Township 27 North, Range 6 West and in the NW/4 of Section 1, Township 26 North, Range 7 West, all within its Rincon Unit Area, which is located approximately 24 miles southeast by east of Blanco, New Mexico.

CASE 10310: Application of Amoco Production Company for surface commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks exceptions to Division (General) Rules 303.A. and 309.A. for the surface commingling of North Loving-Morrow Gas Pool production from its Brantley Gas Com Well No. 1 located in Unit K of Section 22, Township 23 South, Range 28 East with East Loving-Delaware Pool production from wells on its Brantley and McClary Leases and its Jasso Unit, all in the S/2 of said Section 22, which is located approximately 1 mile east of Loving, New Mexico.

Dockets Nos. 16-91 and 17-91 are tentatively set for June 13, 1991 and June 27, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - MAY 30, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before Jim Morrow, Examiner or Michael E. Stogner, or David R. Catanach, Alternate Examiners:

CASE 10304: (Readvertised)

Application of Cibola Energy Corporation for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Tularosa Unit Agreement for an area comprising 19,090.61 acres, more or less, of State, Federal, and Fee lands in Townships 13 and 14 South, Ranges 10 and 11 East, which is approximately 5 to 13 miles west of Mescalero, New Mexico.

CASE 10293: (Readvertised)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Scratchy Ranch State Exploratory Unit Agreement for an area comprising 5,120.00 acres, more or less, of State lands in Township 15 South, Range 32 East, which is located approximately 11 miles north-northeast of Maljamar, New Mexico.

CASE 10294: (Readvertised)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the Edison Ranch Exploratory Unit Agreement for an area comprising 2990.08 acres, more or less, of State, Federal, and Fee lands in Township 16 South, Range 33 East, which is located approximately 8 miles northeast by north of Maljamar, New Mexico.

CASE 10234: (Continued from May 2, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Ordovician formation underlying the following described acreage in Section 29, Township 9 South, Range 26 East, and in the following manner: 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 Foor Ranch-PrePermian Gas Pool and Undesignated East Bitter Lakes-Wolfcamp Gas Pool; the NE/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 South Pecos Slope-Abo Gas Pool; and the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre oil spacing within said vertical extent. Said units are to be dedicated to a single well to be drilled 1980 feet from the North line and 2310 feet from the East line (Unit G) of said Section 29, which is a standard oil and gas well location for zones spaced on 320 acres and 40 acres but is an unorthodox gas well location for zones spaced on 160 acres. 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 7 miles north of Mile Marker No. 167 on U.S. Highway 380.

CASE 10319: Application of Woodbine Petroleum, Inc. for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hadson Federal Well No. 3 to be drilled 2540 feet from the North line and 2310 feet from the East line (Unit G) of Section 11, Township 19 South, Range 31 East, Undesignated Shugart Pool, the SW/4 NE/4 of said Section 11 to be dedicated to said well forming a standard 40 acre oil spacing and proration unit for said pool. Said unit is located approximately 13 miles south-southwest of Maljamar, New Mexico.

CASE 10280: (Continued from May 16, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10314: Application of Collins & Ware, 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 Morrow formation underlying the S/2 of Section 13, Township 20 South, Range 33 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Teas-Pennsylvanian Gas Pool and Undesignated Quail Ridge-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox gas well location 2210 feet from the South line and 1980 feet from the East line (Unit J) 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1.75 miles south of U.S. Highway 62/180 at milepost No. 75.

CASE 10315: Application of Harvey E. Yates 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 Queen formation underlying the SW/4 NW/4 (Unit E) of Section 32, Township 18 South, Range 33 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing which presently includes but is not necessarily limited to the Undesignated Buffalo-Yates Pool and Buffalo-Queen Pool, said unit to be dedicated to a well to be drilled at a standard oil 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 11 miles south-southeast of Maljamar, New Mexico.

CASE 10287: (Continued from May 2, 1991, Examiner Hearing.)

Application of BTA Oil Producers for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Shinnery-Queen Pool, in the open hole and perforated interval from approximately 3,972 feet to 4,285 feet in its existing Cinco de Mayo Federal Well No. 3 located 990 feet from the North and West lines (Unit D) of Section 24, Township 18 South, Range 32 East. Said well is located approximately 8.5 miles south by east of Maljamar, New Mexico.

CASE 10310: (Continued from May 16, 1991, Examiner Hearing.)

Application of Amoco Production Company for surface commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks exceptions to Division (General) Rules 303.A. and 309.A. for the surface commingling of North Loving-Morrow Gas Pool production from its Brantley Gas Com Well No. 1 located in Unit K of Section 22, Township 23 South, Range 28 East with East Loving-Delaware Pool production from wells on its Brantley and McClary Leases and its Jasso Unit, all in the S/2 of said Section 22, which is located approximately 1 mile east of Loving, New Mexico.

CASE 10316: Application of Sendero Petroleum, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its Lookout Point Federal Well No. 1 to be drilled 660 feet from the North and West lines (Unit D) of Section 24, Township 22 South, Range 23 East, Undesignated Indian Basin-Upper Pennsylvanian Gas Pool, all of said Section 24 to be dedicated to said well forming a standard 640-acre gas spacing and proration unit for said pool. Said unit is located approximately 13.5 miles west by south of Carlsbad, New Mexico.

CASE 10317: Application of Santa Fe Energy Operating Partners, L.P. 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 Morrow formation underlying the S/2 of Section 17, Township 17 South, Range 29 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Grayburg-Atoka Gas Pool, Undesignated North Grayburg-Atoka Gas Pool, and South Empire-Morrow Gas Pool, said unit to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles west by north of Loco Hills, New Mexico.

Dockets Nos. 18-91 and 19-91 are tentatively set for June 27, 1991 and July 11, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 13, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, or Jim Morrow, Alternate Examiners:

CASE 10320: Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the April State Unit Agreement for an area comprising 22,298.45 acres, more or less, of State and Fee lands in portions of Townships 3 and 4, South, Range 20 East, which is located approximately 10 miles west-northwest of Mesa, New Mexico.

CASE 10321: Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Charlotte State Unit Agreement for an area comprising 12,655.25 acres, more or less, of State lands in portions of Township 5 South, Range 20 East, which is located approximately 13 miles southwest of Mesa, New Mexico.

[REDACTED] (Continued from May 30, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 9789: (Reopened)

In the matter of Case 9789 being reopened pursuant to the provisions of Division Order No. R-9085, which order promulgated special rules and regulations for the Badland Hills-Mancos Oil Pool in Rio Arriba County, New Mexico, including provisions for 640-acre spacing and proration units and designated well location requirements. Operators in said pool may appear and show cause why the Badland Hills-Mancos Oil Pool should not be abolished and/or the special rules and regulations promulgated herein should not be rescinded.

CASE 10310: (Continued from May 30, 1991, Examiner Hearing.)

Application of Amoco Production Company for surface commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks exceptions to Division (General) Rules 303.A. and 309.A. for the surface commingling of North Loving-Morrow Gas Pool production from its Brantley Gas Com Well No. 1 located in Unit K of Section 22, Township 23 South, Range 28 East with East Loving-Delaware Pool production from wells on its Brantley and McClary Leases and its Jasso Unit, all in the S/2 of said Section 22, which is located approximately 1 mile east of Loving, New Mexico.

CASE 10322: Application of Nearburg Producing Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pennsylvanian formation underlying the SE/4 NE/4 (Unit H) of Section 24, Township 8 South, Range 33 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing which presently includes but is not necessarily limited to the Undesignated West Milnesand-Pennsylvanian Pool, said unit to be dedicated to a well to be drilled at a standard oil 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2.5 miles north of the point common to Lea, Roosevelt, and Chaves Counties.

DOCKET: COMMISSION HEARING - WEDNESDAY - JUNE 12, 1991

**9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO**

(The Land Commissioner's designee for this hearing will be Jami Bailey)

CASE 9931: (De Novo) (Continued from May 9, 1991, Commission Hearing.)

Application of Arco Oil & Gas Company for pressure maintenance expansion and an unorthodox gas injection well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Empire-Abo Unit Pressure Maintenance Project, authorized by Division Order No. R-4549, as amended, by converting its Empire-Abo Unit "J" Well No. 10, located 2310 feet from the North and West lines (Unit F) of Section 3 and Empire Abo Unit "J" Well No. 13, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 2, both in Township 18 South, Range 27 East, Empire-Abo Pool, Empire-Abo Unit Area, from producing oil wells to gas injection wells. Applicant further seeks an exception to Rule 7A of the Special Rules and Regulations for the Empire-Abo Unit Pressure Maintenance Project, as promulgated by said Order No. R-4549, as amended, for the "J" Well No. 13 which is located at an unorthodox gas injection well location. Both wells are located in an area approximately 4.25 miles south-southeast of Riverside, New Mexico. Upon application of Arco Oil & Gas Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10251: (De Novo) (Continued from May 9, 1991, Commission Hearing.)

Application of Kaiser-Francis Oil Company for a pool creation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of gas from the Delaware formation comprising the SE/4 of Section 8, Township 21 South, Range 26 East. Said area is located approximately 7 miles northwest of Carlsbad, New Mexico. Upon application of Kaiser-Francis Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10266: (De Novo)

Application of Fina Oil and Chemical Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below a depth of 10,907 feet underlying the E/2 of Section 28, Township 16 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the South Kemnitz Atoka-Morrow Gas Pool. Said unit is to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles northwest by north of Buckeye, New Mexico. Upon application of Marathon Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10226: (De Novo)

Application of Bird Creek Resources for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the East Loving-Delaware Pool including a provision for a limiting gas-oil ratio of 5000 cubic feet of gas per barrel of oil. Said pool is located in Township 23 South, Range 28 East, being approximately 2 miles east of Loving, New Mexico. Upon application of Bird Creek Resources, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9955: (De Novo)

Application of Sunco Trucking Water Disposal for a permit to construct and operate a commercial wastewater evaporation pond, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authorization, pursuant to Division General Rule 711, to construct a synthetically double lined wastewater evaporation pool equipped with proper leak detection for the purpose of commercially disposing of nonhazardous wastewater associated with the completion and production operations of oil and gas wells. Said pond is to be located in the SW/4 NW/4 (Unit E) of Section 2, Township 29 North, Range 12 West, which is approximately 2.75 miles south by east of Flora Vista, New Mexico. Upon application of Harold W. Horner and Doris J. Horner, this case will be heard De Novo pursuant to the provisions of Rule 1220.

Dockets Nos. 19-91 and 20-91 are tentatively set for July 11, 1991 and July 25, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 27, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, or Jim Morrow, Alternate Examiners:

CASE 10334: (This case will be continued to July 11, 1991.)

Application of the United States Department of the Interior, Bureau of Land Management to plug and abandon a certain well in Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to properly plug and abandon, pursuant to the provisions of Section 70-2-38, N.M.S.A. 1978, the A. D. Raby for James T. Raby, Keys Well No. 1 located on a Federal tract of land 990 feet from the North line and 330 feet from the West line (Unit D) of Section 33, Township 6 South, Range 26 East, which is approximately 13 miles north-northeast of the Pecos River Bridge on U.S. Highway 70.

CASE 10335: (This case will be continued to July 11, 1991.)

Application of the United States Department of the Interior, Bureau of Land Management to plug and abandon a certain well in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to properly plug and abandon, pursuant to the provisions of Section 70-2-38, N.M.S.A. 1978, the Paramount Petroleum Corp. Central Totah Unit Well No. 1 located on a Federal tract of land 820 feet from the South line and 675 feet from the West line (Unit M) of Section 21, Township 29 North, Range 13 West, which is approximately 1 mile south-southeast of the San Juan Bridge on New Mexico Highway 371.

CASE 10327: (Continued from June 13, 1991, Examiner Hearing.)

Application of Yates Petroleum Corporation for pool extension and the assignment of a special depth bracket oil allowable, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to extend the horizontal limits of the Los Medanos-Delaware Pool to include the S/2 of Section 9, the N/2 and SE/4 of Section 16, and the N/2 of Section 21, all in Township 23 South, Range 31 East. Further, the applicant seeks a special depth bracket oil allowable, pursuant to Division (General) Rule 505(d), for said pool whereby the allowable would be based on the deepest perforation (rather than the shallowest as provided for in General Rule 505(a)) in its Medano "VA" State Well No. 1 located in Unit K of said Section 16. Said pool area is located approximately 5.5 miles northwest of the Lea/Eddy County Line on New Mexico State Highway No. 128.

[REDACTED] (Continued from June 13, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10336: Application of Grace Petroleum 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 Bone Springs formation underlying the SE/4 SE/4 (Unit P) of Section 3, Township 20 South, Range 33 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 40-acre spacing, which presently includes but is not necessarily limited to the Undesignated Teas-Bone Springs Pool, Undesignated Teas Yates-Seven Rivers Pool, and Undesignated West Teas Yates-Seven Rivers Pool. Said unit is to be dedicated to a well to be drilled at a standard oil 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 19 miles south-southeast of Maljamar, New Mexico.

CASE 10337: Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 2500 feet from the North line and 660 feet from the West line (Unit E) of Section 15, Township 22 South, Range 27 East, to test the Undesignated Carlsbad-Strawn Gas Pool and Undesignated South Carlsbad-Morrow Gas Pool, the W/2 of said Section 15 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for both pools. The proposed well site is located approximately 3 miles southeast of Carlsbad, New Mexico.

CASE 10287: (Continued from May 30, 1991, Examiner Hearing.)

Application of BTA Oil Producers for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Shinnery-Queen Pool, in the open hole and perforated interval from approximately 3,972 feet to 4,285 feet in its existing Cinco de Mayo Federal Well No. 3 located 990 feet from the North and West lines (Unit D) of Section 24, Township 18 South, Range 32 East. Said well is located approximately 8.5 miles south by east of Maljamar, New Mexico.

CASE 10323: (Continued from June 13, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. for compulsory pooling and a non-standard gas proration unit, 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 Morrow formation or to a depth of 15,100 feet, whichever is deeper, underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 31, Township 21 South, Range 32 East, forming a non-standard 334.72-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Red Tank-Atoka Gas Pool and Undesignated Bilbrey-Morrow Gas Pool. Said unit is to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 32.75 miles west of Eunice, New Mexico.

CASE 10338: Application of David H. Arrington Oil & Gas Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a 40-acre non-standard gas spacing and proration unit in the Eumont Gas Pool comprising the SW/4 NW/4 (Unit E) of Section 10, Township 20 South, Range 37 East, to be dedicated to a well to be drilled at an unorthodox gas well location 2310 feet from the North line and 330 feet from the West line of said Section 10. Said unit is located approximately 2.5 miles south-southwest of monument, New Mexico.

CASE 10339: Application of Conoco Inc. for a high angle/horizontal directional drilling pilot project and an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle horizontal directional drilling pilot project in an existing standard 160-acre oil spacing and proration unit in the North Dagger Draw-Upper Pennsylvanian Pool comprising the NW/4 of Section 17, Township 19 South, Range 25 East. The applicant proposes to drill from a tentative unorthodox surface well location 760 feet from the North line and 2630 feet from the West line (Unit C) of said Section 17, kick-off from vertical in a westerly direction until an angle of approximately 87 degrees is achieved and continue drilling horizontally for approximately 1320 feet. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot offsetting provisions for said pool, pursuant to the Special Rules and Regulations for the North Dagger Draw-Upper Pennsylvanian Pool, as promulgated by Division Order No. R-4691, as amended. The applicant proposes to simultaneously dedicate production from the proposed well as described above with that from the existing Jenny Com. Well No. 1 located at a standard oil well location 1750 feet from the North line and 660 feet from the West line (Unit E) of said Section 17. Said unit is located approximately 7 miles northwest of Seven Rivers, New Mexico.

CASE 10290: (Continued from June 13, 1991, Examiner Hearing.)

Application of Avon Energy Corporation for amendment of Division Order Nos. R-3185, R-3185-A and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-3185, R-3185-A and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project to 450 psi above the formation flowing pressure as determined from step-rate tests for four (4) certain injection wells in the entire Grayburg-San Andres formation of the Grayburg-Jackson Pool within the project area being all or parts of Sections 17, 20, 29, and 30 of Township 17 South, Range 31 East. Said project area is located approximately 4.5 miles east of Loco Hills, New Mexico.

Dockets Nos. 21-91 and 22-91 are tentatively set for July 25, 1991 and August 8, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - JULY 11, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before Jim Morrow, Examiner or Michael E. Stogner, or David R. Catanach, Alternate Examiners:

CASE 10334: (Continued from June 27, 1991, Examiner Hearing. This case will be continued to July 25, 1991.)

Application of the United States Department of the Interior, Bureau of Land Management to plug and abandon a certain well in Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to properly plug and abandon, pursuant to the provisions of Section 70-2-38, N.M.S.A. 1978, the A. D. Raby for James T. Raby, Keys Well No. 1 located on a Federal tract of land 990 feet from the North line and 330 feet from the West line (Unit D) of Section 33, Township 6 South, Range 26 East, which is approximately 13 miles north-northeast of the Pecos River Bridge on U.S. Highway 70.

CASE 10335: (Continued from June 27, 1991, Examiner Hearing. This case will be continued to July 25, 1991.)

Application of the United States Department of the Interior, Bureau of Land Management to plug and abandon a certain well in San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to properly plug and abandon, pursuant to the provisions of Section 70-2-38, N.M.S.A. 1978, the Paramount Petroleum Corp. Central Totah Unit Well No. 1 located on a Federal tract of land 820 feet from the South line and 675 feet from the West line (Unit M) of Section 21, Township 29 North, Range 13 West, which is approximately 1 mile south-southeast of the San Juan Bridge on New Mexico Highway 371.

CASE 10323: (Continued from June 27, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. for compulsory pooling and a non-standard gas proration unit, 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 Morrow formation or to a depth of 15,100 feet, whichever is deeper, underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 31, Township 21 South, Range 32 East, forming a non-standard 334.72-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Red Tank-Atoka Gas Pool and Undesignated Bilbrey-Morrow Gas Pool. Said unit is to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 32.75 miles west of Eunice, New Mexico.

CASE 10344: Application of Collins & Ware, Inc. for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 330 feet from the South line and 990 feet from the East line (Unit P) of Section 14, Township 8 South, Range 27 East, to test the Ordovician formation, the S/2 of said Section 14 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. The proposed well site is located approximately 8.25 miles southwest of Elkins, New Mexico.

CASE 10252: (Continued from April 4, 1991, Examiner Hearing.)

Application of Amerada Hess Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its proposed North Monument Grayburg/San Andres Unit Area (Division Case No. 10253) located in portions of Townships 19 and 20 South, Ranges 36 and 37 East, by the injection of water into the Eunice Monument Grayburg-San Andres Pool through 108 certain wells to either be recompleted or converted from producing or abandoned wells to water injection wells. Said project area surrounds Monument, New Mexico.

CASE 10280: (Continued from June 27, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10345: Application of BHP Petroleum (Americas) 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 W 2 of Section 23, Township 29 North, Range 13 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its existing Gallegos Canyon Unit Well No. 390 located at a previously approved unorthodox coal gas well location 245 feet from the South line and 1530 feet from the West line (Unit N) of said Section 23. 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 at the southeast edge of Farmington, New Mexico.

CASE 10346: Application of BHP Petroleum (Americas) 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 23, Township 29 North, Range 13 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its existing Gallegos Canyon Unit Well No. 391 drilled at a standard location 975 feet from the North line and 870 feet from the East line (Unit A) of said Section 23. 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 at the southeast edge of Farmington, New Mexico.

CASE 10331: (Continued from June 13, 1991, Examiner Hearing.)

Application of Veteran Exploration Inc. to amend Division Order No. R-9330, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to modify Rule 7 of the Special Operating Rules and Regulations for the San Isidro (Shallow) Unit in the Rio Puerco-Mancos Oil Pool as promulgated by Division Order No. R-9330 allowing for the administrative approval of 640-acre oil spacing and proration units formed for the purpose of dedicating high angle/horizontal wellbores that cross Section lines. Said Unit Area is located approximately 5 to 13 miles west-southwest of Cuba, New Mexico.

CASE 10347: Application of Warrior, Inc. for a waterflood pilot project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a one well waterflood pilot project on a portion of its Federal "D" Lease underlying the W/2 of Section 26 and the NE/4 of Section 27, Township 20 South, Range 36 East, by the injection of water into the Eumont Oil and Gas Pool, through the perforated interval from approximately 3804 feet to 3964 feet in its Federal "D" Well No. 2, located 1980 feet from the North line and 660 feet from the West line of Section 26. Applicant further seeks an administrative procedure for the expansion of the leasehold waterflood project by the drilling of new injection wells or the conversion of producers to injection within the leasehold. Said project area is located approximately 6.5 miles southwest by south of Monument, New Mexico.

CASE 10348: Application of KLM Oil & Gas for a high angle/ horizontal directional drilling pilot project, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project within a standard 640-acre oil spacing and proration unit in the West Puerto Chiquito-Mancos Oil Pool comprising all of Section 33, Township 24 North, Range 1 West. The applicant proposes to drill vertically from a well to be located on the surface at a standard oil well location in the NE/4 SW/4 (Unit K) of said Section 33 to a depth of approximately 6900 feet, evaluate the pay zone, plug back to an appropriate depth of 6137 feet and kick-off in a northeasterly direction, build angle to approximately 90 degrees in 587 feet (10 degrees per 100 feet), and continue to drill horizontally in the Mancos formation for approximately 2800 feet. The applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 1650 foot offsetting provisions for said pool, pursuant to the Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool, as promulgated by Division Order No. R-6469-B, as amended. Said unit is located approximately 6 miles north of Regina, New Mexico.

CASE 10349: (This case will be continued to August 22, 1991.)

Application of Doyle Hartman, Oil Operator, for two non-standard gas proration units, unorthodox gas well locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to rededicate acreage in the Jalmat Gas Pool and form two non-standard gas spacing and proration units in the N/2 equivalent of Section 7, Township 23 South, Range 37 East. The Stevens "B-7" Com Well No. 1 located at an unorthodox gas well location 990 feet from the North and West lines (Unit D) of said Section 7 is to be dedicated to Lot 1, N/2 NE/4 and NE/4 NW/4 (N/2 N equivalent) comprising 157.34 acres and the Stevens "B" Well No. 13 located at an unorthodox gas well location 1980 feet from the North line and 330 feet from the West line (Unit E) and Stevens "B-7" Com Well No. 2 also located at an unorthodox gas well location 1650 feet from the North and East lines (Unit G) are to be simultaneously dedicated to Lot 2, S/2 NE/4 and SE/4 NW/4 (S/2 N/2 equivalent) of said Section 7 comprising 157.31 acres. Said area is located approximately 14 miles north of Jal, New Mexico.

Dockets Nos. 23-91 and 24-91 are tentatively set for August 22, 1991 and September 5, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 8, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner or Michael E. Stogner, or Jim Morrow, Alternate Examiners:

CASE 10321: (Readvertised)

Application of McKay Oil Corporation for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Charolette State Unit Agreement for an area comprising 13,946.73 acres, more or less, of State, Federal and Fee lands in portions of Township 5 South, Range 20 East, which is located approximately 13 miles southwest of Mesa, New Mexico.

CASE 10280: (Continued from July 11, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10360: Application of Bird Creek Resources, Inc. 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 Delaware formation or to a depth of 6300 feet, whichever is deeper, underlying the NW/4 NW/4 (Unit D) of Section 22, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent, which presently includes but is not necessarily limited to the East Loving-Delaware Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location 990 feet from the North line and 760 feet from the West line of said Section 22. 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 well is located approximately 1 mile northeast of Loving, New Mexico.

CASE 10290: (Continued from June 27, 1991, Examiner Hearing.)

Application of Avon Energy Corporation for amendment of Division Order Nos. R-3185, R-3185-A and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-3185, R-3185-A, and R-3528 to expand the vertical limits and to establish an injection pressure limitation for the Turner "B" Lease Waterflood Project to 450 psi above the formation parting pressure as determined from step-rate tests for four (4) certain injection wells in the entire Grayburg-San Andres formation of the Grayburg-Jackson Pool within the project area being all or parts of Sections 17, 20, 29, and 30 of Township 17 South, Range 31 East. Said project area is located approximately 4.5 miles east of Loco Hills, New Mexico.

CASE 10361: Application of Seay Exploration, Inc. 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 Seven Rivers formation underlying Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of Section 6, Township 20 South, Range 39 East, forming a 160.04-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent, developed on 160-acre gas spacing, which presently includes but is not necessarily limited to the House-Yates Seven Rivers Gas Pool. Said unit is to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 2.25 miles east-southeast of the community of Nadine, New Mexico.

CASE 10362: Application of Robert N. Enfield 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 Grayburg formation, or to a depth of 4500 feet, whichever is deeper, underlying the NE/4 SW/4 (Unit K) of Section 29, Township 18 South, Range 33 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Corbin-Yates Pool, Undesignated Buffalo-Queen Pool, and Undesignated South Corbin-Queen Pool. Said unit is dedicated to the plugged and abandoned Pennzoil United, Inc. Hudson "29" Federal Well No. 2 (T.D.-13,575 feet) located at a standard oil well location 1980 feet from the South and West lines of said Section 29. Also to be considered will be the cost of re-entering and recompleting 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 re-entering and recompleting said well. Said well is located approximately 10.5 miles south-southeast of Maljamar, New Mexico.

CASE 10363: 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 in the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 25, Township 20 South, Range 24 East, forming a standard 320-acre gas spacing and proration unit for said 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 operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 8 miles west-southwest of Seven Rivers, New Mexico.

CASE 10352: (Continued from July 25, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. 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 Morrow formation underlying the W/2 of Section 36, Township 20 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated North Turkey Track-Cisco Gas Pool, Undesignated Palmillo Draw-Strawn Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NW/4 SW/4 of said Section 36. 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 12 miles southwest of Loco Hills, New Mexico.

CASE 10353: (Continued from July 25, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. 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 Morrow formation underlying the W/2 of Section 20, Township 22 South, Range 33 West, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated East Red Tank-Atoka Gas Pool and Undesignated Bootleg Ridge-Morrow Gas Pool. Said unit is to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 11.25 miles northeast by north of the Lea/Eddy County line on State Highway No. 128.

CASE 10323: (Continued from July 25, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. for compulsory pooling and a non-standard gas proration unit, 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 Morrow formation or to a depth of 15,100 feet, whichever is deeper, underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 31, Township 21 South, Range 32 East, forming a non-standard 334.72-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Red Tank-Atoka Gas Pool and Undesignated Bilbrey-Morrow Gas Pool. Said unit is to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 32.75 miles west of Eunice, New Mexico.

Dockets Nos. 25-91 and 26-91 are tentatively set for September 5, 1991 and September 19, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 22, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before Jim Morrow, Examiner or Michael E. Stogner, or David R. Catanach, Alternate Examiners:

CASE 10280: (Continued from August 8, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10361: (Continued from August 8, 1991, Examiner Hearing.)

Application of Seay Exploration, Inc. 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 Seven Rivers formation underlying Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of Section 6, Township 20 South, Range 39 East, forming a 160.04-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent, developed on 160-acre gas spacing, which presently includes but is not necessarily limited to the House-Yates Seven Rivers Gas Pool. Said unit is to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 2.25 miles east-southeast of the community of Nadine, New Mexico.

CASE 10370: Application of Coleman Oil and Gas, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Point Lookout interval of the Blanco-Mesaverde Pool in the perforated interval from approximately 4380 feet to 4480 feet in its Sunco Disposal Well No. 1 to be drilled 1595 feet from the North line and 1005 feet from the West line (Unit E) of Section 2, Township 29 North, Range 12 West. Said location is approximately 2.5 miles south by east of Flora Vista, New Mexico.

CASE 10360: (Continued from August 8, 1991, Examiner Hearing.)

Application of Bird Creek Resources, Inc. 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 Delaware formation or to a depth of 6300 feet, whichever is deeper, underlying the NW/4 NW/4 (Unit D) of Section 22, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent, which presently includes but is not necessarily limited to the East Loving-Delaware Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location 990 feet from the North line and 760 feet from the West line of said Section 22. 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 well is located approximately 1 mile northeast of Loving, New Mexico.

CASE 10371: Application of Amoco Production Company to amend Division Order No. R-9487, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9487, dated May 8, 1991, which order authorized the applicant to recomplete its existing Smith Federal Gas Com Well No. 1 located 1613 feet from the North line and 2336 feet from the West line (Unit F) of Section 12, Township 22 South, Range 23 East, by side-tracking and directionally drilling from the existing wellbore in such a manner as to bottom the newly deviated portion of the wellbore in the Indian Basin-Upper Pennsylvanian Gas Pool at an unorthodox gas well location within a target area described as a rectangle 1800 to 2000 feet from the North line and 330 to 430 feet from the West line in Unit E of said Section 12. Said order also provided that all of said Section 12 be dedicated to the well to form a standard 640-acre gas spacing and proration unit for said pool, and an acreage factor of 0.49 was assigned the well for allowable purposes. At this time the applicant proposes to abandon the Smith well and requests authorization to drill a vertical replacement well at an unorthodox gas well location 2049 feet from the North line and 480 feet from the West line (Unit E) of said Section 12; all other provisions of said Order No. R-9487 should remain in full force and effect. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 10372: Application of Parker & Parsley Development Company for compulsory pooling, Rio Arriba 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 S/2 equivalent of Section 33, Township 31 North, Range 4 West, forming a standard 320-acre, more or less, spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes only the Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said 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 risk involved in drilling said well. Said unit is located approximately 15 miles west-southwest of Dulce, New Mexico.

CASE 10373: Application of Collins & Ware, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from a depth of 7,000 feet to the base of the Morrow formation underlying the S/2 of Section 25, Township 23 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently includes but is not necessarily limited to the South Culebra Bluff-Atoka Gas Pool, Undesignated Cedar Canyon-Morrow Gas Pool, and Undesignated North Loving-Morrow Gas 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 operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 3.25 miles east-southeast of Loving, New Mexico.

CASE 10374: Application of Collins & Ware, Inc. 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 Morrow formation underlying Lots 1 and 2, NE/4, and E/2 NW/4 (N/2 equivalent) of Section 7, Township 24 South, Range 29 East, forming a 319.36-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Malaga-Atoka Gas Pool, Undesignated Malaga-Morrow Gas Pool, and Undesignated Cedar Canyon-Morrow Gas 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles east-northeast of Malaga, New Mexico.

CASE 10352: (Continued from August 8, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. 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 Morrow formation underlying the W/2 of Section 36, Township 20 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated North Turkey Track-Cisco Gas Pool, Undesignated Palmillo Draw-Strawn Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NW/4 SW/4 of said Section 36. 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 12 miles southwest of Loco Hills, New Mexico.

CASE 10353: (Continued from August 8, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. 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 Morrow formation underlying the W/2 of Section 20, Township 22 South, Range 33 West, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated East Red Tank-Atoka Gas Pool and Undesignated Bootleg Ridge-Morrow Gas Pool. Said unit is to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 11.25 miles northeast by north of the Lea/Eddy County line on State Highway No. 128.

Dockets Nos. 27-91 and 28-91 are tentatively set for September 19, 1991 and October 3, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 5, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before Michael E. Stogner, Examiner or David R. Catanach, or Jim Morrow, Alternate Examiners:

(Continued from August 22, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10379: Application of Thomas Ray Sivley for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Federal Silver Lease Well No. 2 to be drilled 1400 feet from the South line and 1600 feet from the East line (Unit J) of Section 28, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, an existing 40-acre oil spacing and proration unit comprising the NW/4 SE/4 of said Section 28 is to be dedicated to said well. Said unit is located approximately 5 miles south of U.S. Highway 62/180 at mile marker No. 78.

CASE 10380: Application of Anschutz 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 Devonian formation, underlying the E/2 SW/4 of Section 18, Township 17 South, Range 39 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 80-acre spacing, which presently includes only the South Knowles-Devonian Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location in the NE/4 SW/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 2.5 miles east-southeast of the community of Knowles, New Mexico.

CASE 10365: (Continued from August 8, 1991, Examiner Hearing.)

Application of Harvey E. Yates 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 Grayburg formation underlying the NW/4 NE/4 (Unit B) of Section 32, Township 18 South, Range 33 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 Buffalo-Yates Pool and Undesignated Buffalo-Queen Pool. Said unit is to be dedicated to a well to be drilled at a standard oil 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 operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 11 miles south-southeast of Maljamar, New Mexico.

CASE 10381: Application of Yates Petroleum Corporation for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Woodpecker "SY" State Lease comprising the N/2 of Section 21, Township 14 South, Range 33 East, by the injection of water into the Saunders-Permo Upper Pennsylvanian Pool, through 5 producing wells to be converted to injection. Said project area is located approximately 2.75 miles north-northwest of Warren Petroleum Company's Saunders Gas Plant.

CASE 10363: (Continued from August 22, 1991, 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 in the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 25, Township 20 South, Range 24 East, forming a standard 320-acre gas spacing and proration unit for said 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 operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 8 miles west-southwest of Seven Rivers, New Mexico.

CASE 10372: (Continued from August 22, 1991, Examiner Hearing.)

Application of Parker & Parsley Development Company for compulsory pooling, Rio Arriba 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 S/2 equivalent of Section 33, Township 31 North, Range 4 West, forming a standard 320-acre, more or less, spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes only the Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said 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 risk involved in drilling said well. Said unit is located approximately 15 miles west-southwest of Dulce, New Mexico.

CASE 10374: (Continued from August 22, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. 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 Morrow formation underlying Lots 1 and 2, NE/4, and E/2 NW/4 (N/2 equivalent) of Section 7, Township 24 South, Range 29 East, forming a 319.36-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Malaga-Atoka Gas Pool, Undesignated Malaga-Morrow Gas Pool, and Undesignated Cedar Canyon-Morrow Gas 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles east-northeast of Malaga, New Mexico.

CASE 10352: (Continued from August 22, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. 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 Morrow formation underlying the W/2 of Section 36, Township 20 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated North Turkey Track-Cisco Gas Pool, Undesignated Palmillo Draw-Strawn Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NW/4 SW/4 of said Section 36. 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 12 miles southwest of Loco Hills, New Mexico.

CASE 10353: (Continued from August 22, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. 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 Morrow formation underlying the W/2 of Section 20, Township 22 South, Range 33 West, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated East Red Tank-Atoka Gas Pool and Undesignated Bootleg Ridge-Morrow Gas Pool. Said unit is to be dedicated to a well 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 11.25 miles northeast by north of the Lea/Eddy County line on State Highway No. 128.

Dockets Nos. 28-91 and 29-91 are tentatively set for October 3, 1991 and October 17, 1991. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 19, 1991

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner or Jim Morrow, or Michael E. Stogner, Alternate Examiners:

CASE 10383: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Moonshine State Unit Agreement for an area comprising 4,800 acres, more or less, of State and Fee lands in portions of Townships 18 and 19 South, Range 36 East, which is located in an area surrounding Arkansas Junction, New Mexico.

CASE 9140: Application of Scurlock Permian Corporation, formerly Permian Corporation, to reopen Case 9140 for the purpose of rescinding Division Order No. R-8481, which authorized a commercial salt water disposal facility in the NW/4 of Section 2, Township 23 South, Range 29 East, Eddy County, New Mexico. **IN THE ABSENCE OF OBJECTION, SAID REQUEST TO RESCIND DIVISION ORDER NO. R-8481 SHALL BE GRANTED.**

CASE 9140: (Continued from September 5, 1991, Examiner Hearing.)

Application of Knox Industries Inc. for special pool rules, Lea and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special pool rules for the Milnesand-Abo Pool, including a provision for 80-acre spacing and designated well location requirements. Said pool is located in portions of Sections 33 and 34, Township 8 South, Range 35 East, and Section 3, Township 9 South, Range 35 East, straddling the Roosevelt/Lea County line approximately 4 miles north by west of Crossroads, New Mexico.

CASE 10379: (Continued from September 5, 1991, Examiner Hearing.)

Application of Thomas Ray Sivley for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Federal Silver Lease Well No. 2 to be drilled 1400 feet from the South line and 1600 feet from the East line (Unit J) of Section 28, Township 20 South, Range 34 East, Lynch Yates-Seven Rivers Pool, an existing 40-acre oil spacing and proration unit comprising the NW/4 SE/4 of said Section 28 is to be dedicated to said well. Said unit is located approximately 5 miles south of U.S. Highway 62/180 at mile marker No. 78.

CASE 10370: (Readvertised)

Application of Coleman Oil and Gas, Inc. for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Point Lookout interval of the Blanco-Mesaverde Pool in the perforated interval from approximately 4380 feet to 4480 feet in its Sunco Disposal Well No. 1 to be drilled 1595 feet from the North line and 1005 feet from the West line (Unit E) of Section 2, Township 29 North, Range 12 West. Said location is approximately 2.5 miles south by east of Flora Vista, New Mexico.

CASE 10360: (Continued from August 22, 1991, Examiner Hearing.)

Application of Bird Creek Resources, Inc. 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 Delaware formation or to a depth of 6300 feet, whichever is deeper, underlying the NW/4 NW/4 (Unit D) of Section 22, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent, which presently includes but is not necessarily limited to the East Loving-Delaware Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location 990 feet from the North line and 760 feet from the West line of said Section 22. 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 well is located approximately 1 mile northeast of Loving, New Mexico.

CASE 10384: Application of Bird Creek Resources, Inc. 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 Delaware formation or 6300 feet, whichever is deeper, underlying the SE/4 NE/4 (Unit H) of Section 22, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent, which presently includes but is not necessarily limited to the East Loving-Delaware Pool. Said unit is to be dedicated to a well to be drilled at a standard oil 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 operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 2 miles east by north of Loving, New Mexico.

CASE 10385: Application of Bird Creek Resources, Inc. 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 Delaware formation or 6300 feet, whichever is deeper, underlying the NW/4 NE/4 (Unit B) of Section 22, Township 23 South, Range 28 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent, which presently includes but is not necessarily limited to the East Loving-Delaware Pool. Said unit is to be dedicated to a well to be drilled at a standard oil 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 operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 1.5 miles east-northeast of Loving, New Mexico.

CASE 10386: Application of McKay Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the N/2 of Section 25, Township 20 South, Range 24 East, forming a standard 320-acre oil or gas spacing and proration unit for said 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8 miles west-southwest of Seven Rivers, New Mexico.

CASE 10372: (Continued from September 5, 1991, Examiner Hearing.)

Application of Parker & Parsley Development Company for compulsory pooling, Rio Arriba 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 S/2 equivalent of Section 33, Township 31 North, Range 4 West, forming a standard 320-acre, more or less, spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes only the Basin-Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the SW/4 of said 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 risk involved in drilling said well. Said unit is located approximately 15 miles west-southwest of Dulce, New Mexico.

CASE 10352: (Continued from September 5, 1991, Examiner Hearing.)

Application of Collins & Ware, Inc. 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 Morrow formation underlying the W/2 of Section 36, Township 20 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated North Turkey Track-Cisco Gas Pool, Undesignated Palmillo Draw-Strawn Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NW/4 SW/4 of said Section 36. 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 12 miles southwest of Loco Hills, New Mexico.

CASE 10387: Application of Stevens Operating 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 for its McClellan Federal Well No. 5 to be drilled 1650 feet from the South line and 330 feet from the West line (Unit L) of Section 27, Township 13 South, Range 29 East, Undesignated South Lone Wolf-Devonian Pool, the SW/4 of said Section 27 to be dedicated to said well forming a standard 160-acre oil spacing and proration unit for said pool. Said unit is located approximately 18 miles east by north of Hagerman, New Mexico.