

**DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 3, 1992**  
**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, Alternate Examiner:

**CASE 10562:** (Continued from November 19, 1992, Examiner Hearing.) (This Case Will Be Dismissed.)

**Application of Hallwood Petroleum 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 35, Township 32 South, Range 13 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 location in the NE/4 of said Section 35. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1.5 miles northeast of La Plata, New Mexico.

**CASE 10613:** **Application of WJC Inc. for salt water disposal, Lea County, New Mexico.** Applicant, in the above styled cause, seeks authority to dispose of produced salt water into the San Andres and Bone Spring formations through an open hole interval at a depth of 5000 feet to 8360 feet, using its J.G. Cox Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 13, Township 17 South, Range 38 East. This location is approximately 1 mile east of Knowles, NM.

**CASE 10614:** **Application of WJC Inc. for salt water disposal, Lea County, New Mexico.** Applicant, in the above styled cause, seeks authority to dispose of produced salt water into the lower Devonian and Ellenberger formations through an open hole interval at a depth of 12,337 feet to 14,209 feet, using its D.F. Willhoit Well No. 2, located 660 feet from the South and West lines, (Unit M), Section 18, Township 17 South, Range 39 East. This location is approximately 2 miles east-southeast of Knowles, NM.

**CASE 10600:** (Continued from November 19, 1992, Examiner Hearing.)

**Application of BK Petroleum, 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 Gallegos Gallup Associated Pool through the perforated interval from approximately 4850 feet to 5028 feet in its Nelson Well No. 1 located 990 feet from the North line and 1090 feet from the East line (Unit A) of Section 8, Township 26 North, Range 12 West, which is approximately 16 miles south by east of Farmington, New Mexico.

**CASE 10615:** **Application of Pro New Mexico, Inc. for a non-standard gas proration unit or, in the alternative, for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an exception to RULE 4 of the Special Rules and Regulations for the Basin-Fruitland Coal (Gas) Pool, as promulgated by Division Order No. R-8768, as amended, approving the creation of a non-standard 160-acre gas spacing and proration unit that incorporates the SW/4 of Section 5, Township 25 North, Range 11 West; **OR, IN THE ALTERNATIVE,** the applicant seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying Lots 3 and 4, the S/2 NW/4, and SW/4 (W/2 equivalent) of said Section 5 forming a standard 320.48-acre gas spacing and proration unit for said pool. In either instance a well to be drilled at a standard coal gas well location 1845 feet from the South line and 1835 feet from the West line (Unit K) of said Section 5 is to be dedicated to the resulting gas spacing and proration unit. Also to be considered, if a compulsory pooling order is sought, will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. The area involved in this matter is located approximately 2 miles south-southwest of the Bureau of Indian Affairs Huerfano Community School.

**CASE 10108:** (Reopened) (Continued from November 5, 1992, Examiner Hearing.)

In the matter of Case 10108 being reopened pursuant to the provisions of Division Order No. R-5353-L, as amended, which order amended the special rules and regulations for the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County. Operators in said pool may appear and show cause why the amended temporary special rules and regulations for said South Dagger Draw-Upper Pennsylvanian Associated Pool should not be rescinded.

**CASE 10616:** **Application of SG Interests I, Ltd. 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 S/2 of Section 20, Township 28 North, Range 8 West, forming a standard 320.00-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 SW/4 of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 9 miles southeast by east of Blanco, New Mexico.

**CASE 10607:** (Continued from November 19, 1992, Examiner Hearing.) (This Case Will Be Dismissed.)

Application of SG Interests I, Ltd. for compulsory pooling and a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1, 5, 6, 7, 8 and 9, the W/2 NE/4, E/2 NW/4, NE/4 SW/4 and NW/4 SE/4 (N/2 and N/2 S/2 equivalents) of Section 19, Township 29 North, Range 9 West, forming a non-standard 409.34-acre, more or less, 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 equivalent of said Section 19. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1 mile southeast of Blanco, New Mexico.

**CASE 10608:** (Continued from November 19, 1992, Examiner Hearing.) (This Case Will Be Dismissed.)

Application of SG Interests I, Ltd. 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 28, Township 29 North, Range 10 West, forming a standard 320.00-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 SW/4 of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 5 miles east by south of Bloomfield, New Mexico.

**CASE 10609:** (Continued from November 19, 1992, Examiner Hearing.)

Application of SG Interests I, Ltd. 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 N/2 of Section 24, Township 29 North, Range 10 West, forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to its Archunde 29-10-24 Well No. 1 which was recently drilled at a previously approved unorthodox coal gas well location 1030 feet from the North line and 640 feet from the East line (Unit A) of said Section 24 (Division Administrative Order NSL-3173). Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately one-half mile south of Blanco, New Mexico.

**CASE 10610:** (Continued from November 19, 1992, Examiner Hearing.)

Application of SG Interests I, Ltd. for compulsory pooling and an unorthodox coal gas well location, 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 S/2 of Section 21, Township 29 North, Range 10 West, forming a standard 320.00-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at an unorthodox coal gas well location 1165 feet from the South line and 645 feet from the West line (Unit M) of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 5 miles east of Bloomfield, New Mexico.

**CASE 10577:** (Continued from November 19, 1992, Examiner Hearing.) (This Case Will Be Dismissed.)

Application of SG Interests I, Ltd. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of Section 2, Township 29 North, Range 9 West, forming a standard 324.00-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 SW/4 (Unit G) of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1 mile east-northeast of Turley, New Mexico.

Dockets Nos. 39-92 and 40-92 are tentatively set for November 19, 1992 and December 3, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 5, 1992**  
**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, Alternate Examiner:

**CASE 10592:** 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 S/2 of Section 6, Township 20 South, Range 34 East, forming a standard 320-acre spacing and proration unit for any and all formations spaced on 320 acres within said vertical extent which presently includes but is not necessarily limited to the Quail Ridge-Morrow Gas Pool and the Undesignated Teas-Pennsylvanian 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 costs 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 14 miles west-southwest of Monument, New Mexico.

**CASE 10593:** Application of Amoco Production Company for acreage rededication and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location 820 feet from the North line and 1820 feet from the West line (Unit C) of Section 25, Township 32 North, Range 11 West. Said well is to be completed in the Basin-Fruitland Coal Gas Pool as a replacement well to the Fields "A" Well No. 21 located in the SW/4 of Section 25, which is currently dedicated to a standard 320-acre spacing and proration unit comprising the S/2 of Section 25. The applicant further seeks authority to re-align its existing proration unit so as to dedicate the W/2 of Section 25, forming a standard 320-acre gas spacing and proration unit, to the proposed replacement well. Said unit is located approximately 9.5 miles north-northeast of Aztec, New Mexico.

**CASE 10575:** (Continued from October 29, 1992, Examiner Hearing.)

**Application of Klabzuba Operating Company for an unorthodox oil well location, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1847 feet from the North line and 1310 feet from the East line (Unit H) of Section 13, Township 10 South, Range 27 East, Race Track-Devonian Pool. The SE/4 NE/4 of said Section 13 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 1.5 miles north by west of U.S. Highway 380 at milepost 178.

**CASE 10108:** (Reopened. This case will be continued to December 3, 1992.)

In the matter of Case 10108 being reopened pursuant to the provisions of Division Order No. R-5353-L, as amended, which order amended the special rules and regulations for the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County. Operators in said pool may appear and show cause why the amended temporary special rules and regulations for said South Dagger Draw-Upper Pennsylvanian Associated Pool should not be rescinded.

**CASE 10569:** (Continued from October 15, 1992, Examiner Hearing.)

**Application of Hallwood Petroleum 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 35, Township 32 South, Range 13 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 location in the NE/4 of said Section 35. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1.5 miles northeast of La Plata, New Mexico.

**CASE 10594:** Application of Meridian Oil Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, a non-standard oil proration unit, an unorthodox well location, and special project oil allowable, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Undesignated Northeast Ojito Gallup-Dakota Oil Pool underlying the N/2 of Section 23, Township 26 North, Range 3 West, thereby creating a non-standard 320-acre spacing and proration unit for said pool. The applicant proposes to drill its Jicarilla "99" Well No. 17 from an unorthodox surface location 330 feet from the North line and 745 feet from the West line (Unit D) of said Section 23, kick off from vertical in a southeasterly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Applicant further seeks the adoption of special operating provisions and rules within the pilot project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 330 feet to either the north or south boundary, nor closer than 790 feet to the east or west boundary of the spacing unit, and for a special project allowable. Said project area is located approximately 12 miles northwest of Lindrith, New Mexico.

CASE 10555: (Continued from October 15, 1992, Examiner Hearing.)

Application of Meridian Oil Inc. for amendment of Division Order No. R-8170, as amended, to establish a minimum gas allowable in the Justis (Glorieta) Gas Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend the "General Rules For the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Justis (Glorieta) Gas Pool" as promulgated by Division Order No. R-8170, as amended, to provide for a minimum natural gas allowable for the Justis (Glorieta) Gas Pool for a three-year period of time equal to 600 MCF of gas per day for an Acreage Factor of 1.00 or 1,200 MCF of gas per day for a standard Justis 320-acre gas spacing and proration unit. The current pool boundaries include portions of Townships 24 and 25 South, Range 37 East, which is located approximately 4 miles east of Jal, New Mexico.

CASE 10595: Application of Southland Royalty Company for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Gavilan-Mancos Oil Pool underlying all of Section 16, Township 26 North, Range 2 West, being a standard 640-acre spacing and proration unit for said pool. The applicant proposes to re-enter its Tapacitos Well No. 3 located at an unorthodox surface location 1540 feet from the North line and 995 feet from the East line (Unit H) of said Section 16, kick off from vertical in an estimated westerly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Applicant further seeks the adoption of special operating provisions and rules within the pilot project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 790 feet from the outer boundary of the spacing unit. Said project area is located approximately 12.5 miles north of Lindrith, New Mexico.

CASE 10596: Application of Conoco, Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Blinebry Oil and Gas Pool and the Warren-Tubb Gas Pool within the wellbore of its Warren Unit Well No. 98 located 660 feet from the North and East lines (Unit A) of Section 28, Township 20 South, Range 38 East. The NE/4 NE/4 of said Section 28, forming a standard 40-acre spacing and proration unit for both zones, is to be dedicated to said well. Said unit is located approximately 5.5 miles Southwest of Nadine, New Mexico.

CASE 10597: (This case will be dismissed.)

Application of Conoco, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location for its proposed FC Flaherty Com Well No. 1-R to be located 800 feet from the North line and 1820 feet from the West line (Unit C) of Section 6, Township 31 North, Range 10 West. Said well is to be completed in the Basin-Fruitland Coal Gas Pool as a replacement well to the FC Flaherty Com Well No. 1 located in the SW/4 of said Section 6. The existing and previously approved 307.54-acre non-standard spacing and proration unit comprising the W/2 of Section 6 shall be dedicated to said well. Said unit is located approximately 8 miles north-northeast of Aztec, New Mexico.

CASE 10591: (Continued from October 29, 1992, Examiner Hearing.)

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

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the North Avalon-Bone Spring Pool. The discovery well is the Abo Petroleum Corporation Lario Federal Well No. 1 located in Unit F of Section 20, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM  
Section 20: NW/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the North Black River-Wolfcamp Pool. The discovery well is the BTA Oil Producers Crystal 9105 JV-P Well No. 1 located in Unit O of Section 4, Township 24 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM  
Section 4: SE/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Upper Pennsylvanian production and designated as the East Dagger Draw-Upper Pennsylvanian Pool. The discovery well is the Nearburg Production Company South Boyd Well No. 1 located in Unit F of Section 27, Township 19 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM  
Section 27: NW/4

Dockets Nos. 35-92 and 36-92 are tentatively set for October 29, 1992 and November 5, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 15, 1992**

**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, Alternate Examiner:

**CASE 10567:** **Application of SG Interests I, Ltd. for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal (Gas) Pool underlying Lots 3 and 4, the E/2 SW/4 and the SE/4 (S/2 equivalent) of Section 30, Township 29 North, Range 10 West, forming a 319.80-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 SW/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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles east-southeast of Bloomfield, New Mexico.

**CASE 10568:** **Application of Mewbourne Oil Company for an unorthodox infill gas well location and simultaneous dedication, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the South line and 990 feet from the East line (Unit I) of Section 1, Township 18 South, Range 27 East, North Illinois Camp-Morrow Gas Pool. Further, the applicant seeks an exception to Division General Rule 104.C(2) to allow the existing 320-acre gas spacing and proration unit comprising the S/2 of said Section 1 to be simultaneously dedicated in the North Illinois Camp-Morrow Gas Pool to the proposed well and to the existing Chalk Bluff Federal Well No. 1 located at a standard gas well location 790 feet from the South line and 2250 feet from the West line (Unit N) of said Section 1. Said unit is located approximately 5.25 miles southeast of Riverside, New Mexico.

**CASE 10557:** **(Readvertised)**

**Application of Hallwood Petroleum Inc. for an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval for an unorthodox coal gas well location 947 feet from the South line and 800 feet from the East line (Unit P) of Section 24, Township 32 North, Range 13 West, the E/2 of said Section 24 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal Gas Pool. Said unit is located approximately 3.5 miles northeast of La Plata, New Mexico.

**CASE 10569:** **Application of Hallwood Petroleum 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 35, Township 32 South, Range 13 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 location in the NE/4 of said Section 35. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1.5 miles northeast of La Plata, New Mexico.

**CASE 10555:** **(Readvertised. This case will be continued to November 5, 1992.)**

**Application of Meridian Oil Inc. for amendment of Division Order No. R-8170, as amended, to establish a minimum gas allowable in the Justis (Glorieta) Gas Pool, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks to amend the "General Rules For the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Justis (Glorieta) Gas Pool" as promulgated by Division Order No. R-8170, as amended, to provide for a minimum natural gas allowable for the Justis (Glorieta) Gas Pool for a three-year period of time equal to 600 MCF of gas per day for an Acreage Factor of 1.00 or 1,200 MCF of gas per day for a standard Justis 320-acre gas spacing and proration unit. The current pool boundaries include portions of Townships 24 and 25 South, Range 37 East, which is located approximately 4 miles east of Jal, New Mexico.

**CASE 10570:** **Application of Marathon Oil Company to qualify a portion of the South Eunice Seven Rivers Queen Unit Waterflood Project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pursuant to the Rules and Procedures for Qualifications of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying a portion of its South Eunice Seven Rivers Queen Unit Waterflood Project (authorized by Division Order No. R-4217), in Sections 35 and 36, Township 22 South, Range 36 East, South Eunice Seven Rivers Queen Unit, South Eunice Seven Rivers-Queen Pool, for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project area is located approximately 7.5 miles southwest by south of Eunice, New Mexico.

**CASE 10571:** **Application of Chevron U.S.A. Inc. for a high angle/horizontal directional drilling pilot project, special operating rules, unorthodox oil well location, non-standard oil proration unit, and simultaneous dedication, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the South Brunson Drinkard-Abo Pool underlying the W/2 SE/4 of Section 30, Township 22 South, Range 38 East, thereby creating a non-standard 80-acre oil spacing and proration unit for said pool. The applicant proposes to recomplete its Drinkard (NCT-B) Well No. 5, located at a standard surface location 880 feet from the South line and 1980 feet from the East line (Unit O) of said Section 30, plug back from the Wantz-Granite Wash Pool, kick-off at approximately 6772 feet and drill in a north-northeasterly direction until an angle of approximately 90 degrees is achieved and continue drilling horizontally for approximately 400 feet. The applicant is proposing to establish a window for said project whereby the horizontal displacement of said well's producing interval will be confined to a rectangular area 880 feet from the South line, 1780 feet from the East line, 1280 feet from the South line, and 1980 feet from the East line of said Section 30. Further the applicant seeks the adoption of special operating provisions within the project area including a special project oil allowable. Also to be included is the simultaneous dedication of the proposed well with the existing Drinkard (NCT-B) Well No. 3 located at a standard oil well location 660 feet from the South line and 1980 feet from the East line (Unit O) which currently has dedicated the SW/4 SE/4 of said Section 30. The subject area is located approximately 6.5 miles southeast by south of Eunice, New Mexico.

**CASE 10559:** **(Continued from September 17, 1992, Examiner Hearing.)**

**Application of Southwest Royalties, Inc. for salt water disposal, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authority to re-enter the previously plugged and abandoned Conoco Inc. Julie Com Well No. 1 located 1980 feet from the North line and 990 feet from the East line (Unit H) of Section 17, Township 19 South, Range 25 East, and utilize said well to dispose of produced salt water into the Abo formation through the perforated interval from approximately 4000 feet to 5000 feet. Said well is approximately 6.5 miles northwest of Seven Rivers, New Mexico.

**CASE 10471:** **(Continued from September 17, 1992, Examiner Hearing.)**

**Application of Southwest Royalties, 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 Canyon formation underlying the NE/4 of Section 17, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw-Pennsylvanian 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 6.5 miles northwest of Seven Rivers, New Mexico.

**CASE 10560:** **(Continued from September 17, 1992, Examiner Hearing.)**

**Application of Conoco 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 Canyon formation underlying the NE/4 of Section 17, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw-Pennsylvanian Pool. Said unit is to be dedicated to the existing Southwest Royalties, Inc. Dagger Draw Well No. 1 located at a standard location 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 17, said unit and well were the subject of Division Case No. 10471. 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 6.5 miles northwest of Seven Rivers, New Mexico.

**CASE 10572:** **Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authority to expand its W. H. Rhodes "B" Federal Waterflood Project, authorized by Division Order No. R-2748, by converting its W. H. Rhodes "B" Federal (NCT-1) Well No. 6 located 1980 feet from the South line and 660 feet from the East line (Unit D) and its W. H. Rhodes "B" Federal (NCT-1) Well No. 13 located 990 feet from the South line and 1650 feet from the East line (Unit O), both in Section 27, Township 26 South, Range 37 East, from producing oil wells to water injection wells. Said project area is located approximately 7.5 miles south-southeast of Jal, New Mexico.

**CASE 10573:** **Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authority to expand its Rhodes Yates Unit Waterflood Project, authorized by Division Order No. R-3889, by converting its Rhodes Yates Unit Well No. 8 located 1875 feet from the North line and 765 feet from the West line (Unit E) and its Rhodes Yates Unit Well No. 13 located 660 feet from the South and West lines (Unit M), both in Section 27, Township 26 South, Range 37 East, Rhodes Yates Unit, Rhodes Yates-Seven Rivers Pool, from producing oil wells to water injection wells. Said project area is located approximately 7.5 miles south-southeast of Jal, New Mexico.