

Dockets Nos. 40-92 and 41-92 are tentatively set for December 3, 1992 and December 17, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 19, 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 Michael E. Stogner, Examiner or David R. Catanach, Alternate Examiner:

**CASE 10598:** Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location, in both the Undesignated Frontier Hills-Strawn Gas Pool and South Carlsbad-Morrow Gas Pool, 660 feet from the North and West lines (Unit D) of Section 28, Township 23 South, Range 26 East. The S/2 of said Section 28 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for both pools. Said unit is located approximately 5 miles south-southwest of the Cavern City Airport in Carlsbad.

**CASE 10599:** Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well 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 areas in Section 36, Township 17 South, Range 27 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, which presently includes but is not necessarily limited to the Undesignated Empire-Pennsylvanian Gas Pool, Undesignated Scoggin Draw-Atoka Gas Pool, and Undesignated North Illinois Camp-Morrow Gas Pool, and 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, which presently includes but is not necessarily limited to the Undesignated Logan Draw-Wolfcamp Gas Pool. Said units are to be dedicated to a single well to be drilled 660 feet from the South line and 990 feet from the West line (Unit M) of said Section 36, which is considered to be an unorthodox gas well location for those intervals developed on 320-acre spacing and a standard location for a 160-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 area is located approximately 5 miles southeast of Riverside, New Mexico.

**CASE 10574:** (Continued from October 29, 1992, 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 from the surface to the base of the Canyon formation, at approximately 8,200 feet, underlying the following described acreage in Section 14, Township 20 South, Range 24 East, and in the following described manner: the N/2 to form a single standard 320-acre 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 South Dagger Draw-Upper Pennsylvanian Associated Pool); the NE/4 and NW/4 to form two standard 160-acre gas spacing and proration units for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NW/4 NE/4 and SW/4 NW/4 to form two standard 40-acre oil spacing and proration units for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. The proposed 320-acre unit is to be dedicated to either a single well to be drilled at a standard location in Unit B or Unit E or to both wells to be simultaneously dedicated to the 320-acre unit. Further the 160-acre gas unit comprising the NE/4 and the 40-acre oil unit comprising the NW/4 NE/4 are to be dedicated to the proposed well to be drilled in Unit B. The 160-acre gas unit comprising the NW/4 and the 40-acre oil unit comprising the SW/4 NW/4 are to be dedicated to the proposed well to be drilled in Unit E. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 7.5 miles west by south of Seven Rivers, New Mexico.

**CASE 10600:** 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 10601:** Application of Strata Production 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 Scanlon-Delaware Pool through the perforated interval from approximately 3274 feet to 3030 feet in its Doris Federal Well No. 2 located 1780 feet from the South line and 1980 feet from the East line (Unit J) of Section 26, Township 20 South, Range 28 East, which is approximately northeast by north of Carlsbad, New Mexico.

**CASE 10602:** Application of Chi Operating, Inc. for compulsory pooling, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying Lots 1 and 2, S/2 NW/4, SW/4 (W/2 equivalent) of Section 5, Township 8 South, Range 37 East, forming a 319.09-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 is applicable to only gas wells drilled in the Undesignated Bluit-San Andres Associated 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 1 mile north of Bluit, New Mexico.

**CASE 10592:** (Readvertised)

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, at a depth of approximately 13,900 feet, underlying the following described acreage in Section 6, Township 20 South, Range 34 East, and in the following described manner: Lots 6 and 7, the E/2 SW/4 and SE/4 (S/2 equivalent) to form a standard 326.97-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 Quail Ridge-Morrow Gas Pool and the Undesignated Teas-Pennsylvanian Gas Pool); Lots 6 and 7 and the E/2 SW/4 (SW/4 equivalent) to form a standard 160.97-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NE/4 SW/4 to form 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 Apache Ridge-Bone Spring Pool). Said units are to be dedicated to a single well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well or wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of each well and a charge for risk involved in drilling said well or wells. The subject area in this matter is located approximately 14 miles west-southwest of Monument, New Mexico.

**CASE 10498:** (Reopened. Continued from October 29, 1992, Examiner Hearing.)

In the matter of Case No. 10498 being reopened upon application of Monty D. McLane to exempt certain working interests from the compulsory pooling provisions of Division Order No. R-9690, Lea County, New Mexico. Division Order No. R-9690, issued in Case 10498 and dated July 1, 1992, granted the application of Charles Gillespie to compulsorily pool all mineral interests from the surface to the base of the Strawn formation underlying Lot 3 of Section 1, Township 16 South, Range 35 East, forming a non-standard 51.08-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. At this time Monty D. McLane requests the Division enter an order reopening Case No. 10498 and declare that the working interests of Henry H. Lawton and Amanda K. Parks are not subject to said Order No. R-9690.

**CASE 10540:** (Continued from October 29, 1992, Examiner Hearing.)

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 2480 feet from the South line and 915 feet from the West line (Unit J) of irregular Section 6, Township 27 North, Range 2 West, to test the Mancos formation. The NW/4 SE/4 of said Section 6 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 19 miles west of El Vado, New Mexico.

**CASE 10603:** Application of Conoco, 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 17, Township 30 North, Range 8 West, forming a standard 320-acre spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NE/4 of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles west of the Navajo Lake State Park Airport.

**CASE 10604:** Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill a replacement coal gas well within an existing standard 315.76-acre gas spacing and proration unit comprising Lots 3 through 6, and 11 through 14 (W/2 equivalent) of Section 33, Township 31 North, Range 9 West, Basin Fruitland Coal Gas Pool, at an unorthodox coal gas well location within the NW/4 equivalent of said Section 33 that is no closer than 790 feet to any outer boundary of the proration unit nor closer than 130 feet to the quarter section line bisecting the unit nor closer than 10 feet to the subdivision inner boundaries within the NW/4 equivalent of said Section 33. Said unit is presently dedicated to the Johnston Federal Well No. 28 located at a standard coal gas well location 2255 feet from the South line and 1065 feet from the West line (Unit L) of said Section 33, which will either be plugged and abandoned or used as a pressure observation well after the replacement well is completed. Said unit is located approximately 8 miles southeast of Cedar Hill, New Mexico.

**CASE 10605:** Application of Meridian Oil 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 13, Township 28 North, Range 11 West, forming a standard 320-acre spacing and proration unit for said pool. Said unit is to be dedicated to its Angle Peak "B" Well No. 14, located at a standard coal gas well location 1650 feet from the North and East lines (Unit G) at said Section 13, which will be recompleted from the Fulcher Kutz-Pictured Cliffs Pool into the Basin-Fruitland Coal Gas Pool. Also to be considered will be the cost of recompleting 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 the assignment of a risk penalty factor. Said unit is located approximately 4 miles southeast by south of Bloomfield, New Mexico.

**CASE 10606:** Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill a replacement coal gas well within an existing standard 320-acre gas spacing and proration unit comprising the W/2 of Section 12, Township 30 North, Range 9 West, Basin Fruitland Coal Gas Pool, at an unorthodox coal gas well location 790 feet from the North and West lines (Unit D) of said Section 12. Said unit is presently dedicated to the Johnston Federal Well No. 27 located at a standard coal gas well location 1250 feet from the South line and 1010 feet from the West line (Unit M) of said Section 12, which will either be plugged and abandoned or used as a pressure observation well after the proposed replacement well is completed. Said unit is located approximately 14 miles east of Aztec, New Mexico.

**CASE 10607:** 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:** 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:** 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:** 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 October 29, 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 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.

**CASE 10579:** (Continued from October 29, 1992, Examiner Hearing.)

**Application of SG Interests I, Ltd. for a non-standard gas promotion unit and 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 4 and 10, the SE/4 SW/4 and SW/4 SE/4 (S/2 S/2 equivalent) of Section 19 and Lots 1, 5, 6 and 7, the W/2 NE/4 and E/2 NW/4 (N/2 equivalent), both in Section 30, Township 29 North, Range 9 West, forming a non-standard 407.56-acre gas spacing and proration unit in said pool. Said unit is to be dedicated to a well to be drilled at a standard coal gas well location in the NW/4 NE/4 (Unit B) 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 1.5 miles south-southeast of Blanco, New Mexico.

**CASE 10580:** (Continued from October 29, 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 Lots 5 and 10, the NE/4 and E/2 SE/4 (E/2 equivalent) of Section 15, Township 29 North, Range 10 West, forming a standard 319.62-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 15. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles west of Blanco, New Mexico.

**CASE 10581:** (Continued from October 29, 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 21, 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 a well to be drilled at a standard coal gas well location in the NE/4 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 10582:** (Continued from October 29, 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 S/2 of Section 22, 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 a well to be drilled at a standard coal gas well location in the SW/4 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6 miles east of Bloomfield, New Mexico.

**CASE 10583:** (Continued from October 29, 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 E/2 of Section 27, 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 a well to be drilled at a standard coal gas well location in the NE/4 of said Section 27. 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 2.5 miles southwest of Blanco, New Mexico.

**CASE 10585:** (Continued from October 29, 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 W/2 of Section 26, Township 29 North, Range 11 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 SW/4 of said Section 26. 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 southeast of Bloomfield, New Mexico.

**CASE 10587:** (Continued from October 29, 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 S/2 of Section 17, Township 30 North, Range 9 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 SW/4 of said Section 17. 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 10.5 miles east of Aztec, New Mexico.

**CASE 10588:** (Continued from October 29, 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 E/2 of Section 18, Township 30 North, Range 9 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 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 10 miles east of Aztec, New Mexico.

**CASE 10589:** (Continued from October 29, 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 Lots 3 and 4, the SW/4 and N/2 SE/4 (S/2 equivalent) of Section 25, Township 30 North, Range 9 West, forming a standard 331.38-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 25. 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 northeast of Turley, New Mexico.

**CASE 10590:** (Continued from October 29, 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 Lots 1 and 2, the NE/4 and W/2 NW/4 (N/2 equivalent) of Section 25, Township 30 North, Range 9 West, forming a standard 322.64-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 25. 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 3.5 miles northeast of Turley, New Mexico.

**CASE 10572:** (Continued from October 29, 1992, Examiner Hearing.)

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

**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.

**CASE 10569:** (Continued from November 5, 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 10596:** (Continued from November 5, 1992, Examiner Hearing.)

**Application of Conoco, Inc. for downhole commingling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to commingle production from the Blinbry 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 10611:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting, and extending certain pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico:

- (a) ABOLISH the Lindrith-Dakota Oil Pool in Rio Arriba County, New Mexico, consisting of the following described area:

**TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM**

Sections 20 and 21: All

Sections 28 and 29: All

- (b) ABOLISH the Lindrith-Gallup Gas Pool in Rio Arriba County, New Mexico, consisting of the following described area:

**TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM**

Sections 20 and 21: All

Sections 28 and 29: All

- (c) ABOLISH the Media-Gallup Oil Pool in Sandoval County, New Mexico, consisting of the following described area:

**TOWNSHIP 19 NORTH, RANGE 3 WEST, NMPM**

Section 22: S/2 NE/4, NE/4 SE/4

Section 23: NW/4 SW/4

- (d) EXTEND the Angels Peak-Gallup Associated Pool in San Juan County, New Mexico, to include therein:

**TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM**

Section 5: S/2

Sections 6 through 8: All

**TOWNSHIP 27 NORTH, RANGE 10 WEST, NMPM**

Section 30: W/2

Section 31: W/2

- (e) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

**TOWNSHIP 26 NORTH, RANGE 13 WEST, NMPM**

Section 32: N/2 S/2

- (f) EXTEND the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

**TOWNSHIP 23 NORTH, RANGE 10 WEST, NMPM**

Section 9: SE/4

**TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM**

Section 26: S/2 SW/4

Section 27: S/2 SE/4

Section 35: NW/4

- (p) CONTRACT the Gavilan Greenhorn-Graneros-Dakota Oil Pool in Rio Arriba County, New Mexico, by the deletion of the following described area:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM

Section 5: All

- (q) CONTRACT the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, by the deletion of the following described area:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM

Section 5: W/2

Section 6: E/2

Section 8: E/2

**CASE 10612:** In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating certain pools in Lea and Roosevelt Counties, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the South Allison-San Andres Pool. The discovery well is the Layton Enterprises Inc. El Zorro C Federal Well No. 2 located in Unit A of Section 11, Township 9 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM

Section 11: NE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Dagger Lake-Delaware Pool. The discovery well is the Meridian Oil Inc. Dagger Lake State Well No. 1 located in Unit O of Section 5, Township 22 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 33 EAST, NMPM

Section 5: SE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Southeast Lane-Abo Pool. The discovery well is the Purvis Oil Corporation State 15 Well No. 1 located in Unit F of Section 15, Township 10 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 15: NW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Southeast Livingston Ridge-Delaware Pool. The discovery well is the Yates Petroleum Corporation Lotus ALT State Well No. 2 located in Unit G of Section 32, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 32: NE/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the North Lusk-Delaware Pool. The discovery well is the Oryx Energy Company Jennings A Federal Well No. 4 located in Unit J of Section 15, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 15: SE/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Red Hills-Bone Spring Pool. The discovery well is the Enron Oil & Gas Company Vaca 13 Federal Well No. 1 located in Unit C of Section 13, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 13: NW/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the South Red Tank-Delaware Pool. The discovery well is the C. W. Trainer Shell State Well No. 1 located in Unit C of Section 36, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 36: NW/4

- (g) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 26: W/2

Sections 27 and 28: All

Sections 33 through 36: All

- (h) EXTEND the Counselors Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM

Section 32: S/2

Section 33: SW/4

- (i) EXTEND the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 25: SW/4

Section 36: NW/4

- (j) EXTEND the South San Luis-Mesaverde Oil Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 18 NORTH, RANGE 3 WEST, NMPM

Section 33: NE/4 NW/4

- (k) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM

Section 5: W/2

Section 6: E/2

Section 7: All

Section 8: All

Sections 16 through 21: All

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM

Section 1: S/2

Sections 2 and 3: All

Section 10: N/2

Sections 11 through 14: All

Section 15: E/2

Section 22: E/2

Sections 23 and 24: All

- (l) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba, Sandoval and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM

Section 22: NW/4 SE/4, S/2 SE/4

Section 23: S/2

Section 26: N/2

Section 27: NE/4

- (m) EXTEND the Snake Eyes-Dakota "D" Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 21 NORTH, RANGE 8 WEST, NMPM

Section 8: SW/4

- (n) EXTEND the Verde-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM

Section 28: NE/4 SW/4, S/2 SW/4

- (o) CONTRACT the Basin-Dakota Pool in San Juan and Rio Arriba Counties, New Mexico, by the deletion of the following described area:

TOWNSHIP 21 NORTH, RANGE 8 WEST, NMPM

Section 8: SW/4



- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the West Red Tank-Delaware Pool. The discovery well is the Pogo Producing Company Federal 27 Well No. 1 located in Unit N of Section 27, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

**TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM**

Section 27: SW/4

- (i) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Northwest Teague-Devonian Pool. The discovery well is the Texaco Exploration & Production Inc. R. R. Simms Well No. 2 located in Unit N of Section 4, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

**TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM**

Section 4: SW/4

- (j) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the West Teas-Morrow Gas Pool. The discovery well is the Mitchell Energy Corporation Anasazi 9 Federal Well No. 1 located in Unit G of Section 9, Township 20 South, Range 33 East, NMPM. Said pool would comprise:

**TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM**

Section 9: N/2

- (k) CREATE a new pool in Roosevelt County, New Mexico, classified as a gas pool for San Andres production and designated as the Tule-San Andres Gas Pool. The discovery well is the Marshall Pipe & Supply Company Stoltenberg Well No. 1 located in Unit F of Section 26, Township 2 South, Range 29 East, NMPM. Said pool would comprise:

**TOWNSHIP 2 SOUTH, RANGE 29 EAST, NMPM**

Section 26: NW/4

**CASE 10594:** (Continued from November 5, 1992, Examiner Hearing.)

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 10604:** (Continued from November 19, 1992, Examiner Hearing.)

Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill a replacement coal gas well within an existing standard 315.76-acre gas spacing and proration unit comprising Lots 3 through 6, and 11 through 14 (W/2 equivalent) of Section 33, Township 31 North, Range 9 West, Basin Fruitland Coal Gas Pool, at an unorthodox coal gas well location within the NW/4 equivalent of said Section 33 that is no closer than 790 feet to any outer boundary of the proration unit nor closer than 130 feet to the quarter section line bisecting the unit nor closer than 10 feet to the subdivision inner boundaries within the NW/4 equivalent of said Section 33. Said unit is presently dedicated to the Johnston Federal Well No. 28 located at a standard coal gas well location 2255 feet from the South line and 1065 feet from the West line (Unit L) of said Section 33, which will either be plugged and abandoned or used as a pressure observation well after the replacement well is completed. Said unit is located approximately 8 miles southeast of Cedar Hill, New Mexico.

**CASE 10605:** (Continued from November 19, 1992, Examiner Hearing.) (This Case Will Be Dismissed.)

Application of Meridian Oil 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 13, Township 28 North, Range 11 West, forming a standard 320-acre spacing and proration unit for said pool. Said unit is to be dedicated to its Angle Peak "B" Well No. 14, located at a standard coal gas well location 1650 feet from the North and East lines (Unit G) at said Section 13, which will be recompleted from the Fulcher Kutz-Pictured Cliffs Pool into the Basin-Fruitland Coal Gas Pool. Also to be considered will be the cost of recompleting 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 the assignment of a risk penalty factor. Said unit is located approximately 4 miles southeast by south of Bloomfield, New Mexico.

**CASE 10606:** (Continued from November 19, 1992, Examiner Hearing.)

Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill a replacement coal gas well within an existing standard 320-acre gas spacing and proration unit comprising the W/2 of Section 12, Township 30 North, Range 9 West, Basin Fruitland Coal Gas Pool, at an unorthodox coal gas well location 790 feet from the North and West lines (Unit D) of said Section 12. Said unit is presently dedicated to the Johnston Federal Well No. 27 located at a standard coal gas well location 1250 feet from the South line and 1010 feet from the West line (Unit M) of said Section 12, which will either be plugged and abandoned or used as a pressure observation well after the proposed replacement well is completed. Said unit is located approximately 14 miles east of Aztec, New Mexico.

**CASE 10100:** (Continued from October 29, 1992, Examiner Hearing.)

In the matter of Case 10100 being reopened pursuant to the provisions of Division Order No. R-9330, which order promulgated special operating rules and regulations for the San Isidro (Shallow) Unit in Sandoval County. Operators in said unit may appear and show cause why the continuation of the foregoing special operating rules and regulations governing the Rio Puerco-Mancos Oil Pool within said Unit Area are consistent with sound engineering and conservation practices and show cause why such procedures should remain in effect.

**CASE 10617:** (This Case Will Be Continued to January 7, 1993.)

Application of C. W. Trainer for designation of a tight formation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Mississippian formation underlying an area comprising 11,009.08 acres, more or less, of State (approximately 5.8%) and fee (approximately 94.2%) lands in Sections 35 and 36, Township 11 South, Range 28 East; Sections 21 through 23 and 26 through 35, Township 11 South, Range 29 East; Sections 1 and 2, Township 12 South, Range 29 East; and, Sections 2 through 6, Township 12 South, Range 29 East, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Sections 271.701-705. Said area is located approximately 29 miles east by south of Roswell, New Mexico.

**CASE 10618:** Application of Siete Oil and Gas Company for statutory unitization, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a waterflood project, all mineral interests in the proposed Parkway-Delaware Pool, underlying 920 acres, more or less, of State, Federal and Fee lands comprising portions of Sections 26, 35 and 36, Township 19 South, Range 29 East and a portion of Section 2, Township 20 South, Range 29 East. Said unit is to be designated the Parkway Delaware Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not necessarily limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any non-consenting working interest owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 6 miles north by west of the junction of U.S. Highway 62/180 and New Mexico State Highway No. 31.

**CASE 10619:** Application of Siete Oil and Gas Company for approval of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its proposed Parkway Delaware Unit Area (Division Case No. 10618) located in portions of Sections 26, 35 and 36, Township 19 South, Range 29 East and a portion of Section 2, Township 20 South, Range 29 East, by the injection of water into the Parkway-Delaware Pool through five certain wells all to be converted from producing oil wells. The applicant further seeks approval that said project qualify as an "Enhanced Oil Recovery Project" pursuant to the provisions of Division Order No. R-9708. Said project area is located approximately 6 miles north by west of the junction of U.S. Highway 62/180 and New Mexico State Highway No. 31.

**CASE 10560:** (Continued from October 29, 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 10603:** (Continued from November 19, 1992, Examiner Hearing.) (This Case Will Be Dismissed.)

Application of Conoco, 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 17, Township 30 North, Range 8 West, forming a standard 320-acre spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NE/4 of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles west of the Navajo Lake State Park Airport.