

CASE 11328: (Continued from August 10, 1995, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation for a high angle/horizontal directional drilling pilot project and for the promulgation of special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Media-Entrada Oil Pool within its proposed Media Entrada Secondary (Federal) Unit comprising portions of Sections 14, 15, 22, and 23, Township 19 North, Range 3 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said Unit Area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said area is located approximately 14 miles southwest of Cuba, New Mexico.

CASE 11329: (Continued from August 10, 1995, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation to amend Division Order No. R-9079, to extend the horizontal limits of the existing high angle/horizontal directional drilling pilot project area, and to adopt additional special operating rules therefor, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9079 by extending the project area approved therein to include the N/2 NW/4, SE/4 NW/4, NE/4 SW/4, and S/2 SW/4 of Section 15 and the SE/4 NE/4 and NE/4 SE/4 of Section 16, of Township 19 North, Range 5 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said Cooperative Area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said area is located approximately 22 miles northwest of San Luis, New Mexico.

CASES 10793, 10981, and 11004: (Reopened)

In the matter of Case Nos. 10793, 10981, and 11004 being reopened pursuant to the provisions of Division Order Nos. R-9976 and R-9976-A, which orders established a "pilot infill drilling program" in the Pecos Slope-Abo Gas Pool in portions of Townships 5, 6, and 7 South, Ranges 25 and 26 East, Chaves County. The applicant in this matter, Yates Petroleum Corporation, seeks the promulgation of special rules and regulations for the currently unprorated Pecos Slope-Abo Gas Pool, based on the geologic and engineering data acquired from the pilot program, including provisions to permit the optional drilling of an additional well on each 160-acre standard gas spacing and proration unit, designated well location requirements, and any other provisions deemed necessary in the implementation of "infill drilling" in said pool. Currently the Pecos Slope-Abo Gas Pool comprises approximately 199,000 acres in all or portions of Townships 4, 5, 6, 7, and 8 South, Ranges 24, 25, 26, and 27 East.

CASE 11364: Application of Nearburg Exploration Company 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 SW/4 of Section 22, Township 19 South, Range 25 East, to form a standard 160-acre 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 North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to its Ross Ranch "22" Well No. 8 (API No. 30-015-28487) to be drilled at a standard location in the SW/4 SW/4 (Unit M) 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 unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 14 miles south of the Artesia Municipal Airport at Artesia, New Mexico

CASE 11360: (Continued from August 10, 1995, Examiner Hearing.)

Application of Nearburg Exploration Company 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 following described acreage in Section 33, Township 17 South, Range 27 East, and in the following manner: the W/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 Jennings Spring-Wolfcamp Gas Pool, Undesignated Red Lake-Pennsylvanian Gas Pool, Undesignated Logan Draw-Cisco/Canyon Gas Pool, Undesignated Scoggin Draw-Atoka Gas Pool, Undesignated Logan Draw-Morrow Gas Pool, Undesignated West Logan Draw-Morrow Gas Pool, and Undesignated Scoggin Draw-Morrow Gas Pool; and, the SW/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. Said units are to be dedicated to a single well to be drilled and completed 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 Nearburg Producing Company as the operator of the well, and a charge for risk involved in drilling said well. Said well location is approximately 3 miles south of Riverside, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 24, 1995

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 26-95 and 27-95 are tentatively set for September 7, 1995 and September 21, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11275: (Continued from July 27, 1995, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Sage Oil Company and all other interested parties to appear and show cause why the Gulf State Well No. 1, located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 30, Township 10 South, Range 27 East, Chaves County, New Mexico (which is approximately 1/4 mile south of U. S. Highway No. 380 at mile marker No. 172), **should not be plugged and abandoned** in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have said well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

CASE 11354: (Continued from August 10, 1995, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Nerdhlic Company, Inc., and all other interested parties to appear and show cause why the following five wells in McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug any or all of said wells, the Division seeks an order directing the operator to pay the costs of such plugging and if failing to do so, ordering a forfeiture of the "blanket" cash plugging bond covering said wells and authorizing the Director of the Division to make demand upon United New Mexico Bank in Santa Fe, New Mexico to pay to the Division so much of the funds of the certificate of deposit given as collateral for said bond as is necessary to compensate the costs of plugging any or all of said wells:

- (1) **Inditos Well No. 1** (API No. 30-031-20774), located 2310'FNL & 330'FEL (Unit H) of Section 15, Township 16 North, Range 9 West;
- (2) **Bullseye Well No. 2** (API No. 30-031-20414), located 540'FSL & 1560'FWL (Unit N) of Section 18, Township 16 North, Range 9 West;
- (3) **Bullseye Well No. 9** (API No. 30-031-20576), located 330'FSL & 1650'FEL (Unit O) of Section 18, Township 16 North, Range 9 West;
- (4) **Bullseye Well No. 8** (API No. 30-031-20531), located 330'FNL & 990'FWL (Unit D) of Section 19, Township 16 North, Range 9 West; and,
- (5) **Bullseye "A" Well No. 2** (API No. 30-031-05091), located 990'FS & EL (Unit P) of Section 13, Township 16 North, Range 10 West.

CASE 11363: Application of Ensearch Exploration, Inc. for downhole commingling and to amend Division Administrative Order DHC-755, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Administrative Order DHC-755, dated February 14, 1990, which order authorized the commingling of South Peterson-Pennsylvanian Associated Pool and South Peterson-Fusselman Pool production within the wellbore of the Lambirth Well No. 3, located 1980 feet from the North and East lines (Unit G) of Section 31, Township 5 South, Range 33 East, by increasing the current restriction of "100 barrels" per day of total water production from said well to "300 barrels" per day. Said well is located approximately 11.5 miles southeast of Elida, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 11327: (Continued from August 10, 1995, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation for a high angle/horizontal directional drilling pilot project and for the promulgation of special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the designated and Undesignated Snake Eyes-Entrada Oil Pool underlying a single fee lease comprising all or portions of Sections 19, 20, and 21, Township 21 North, Range 8 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said project area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said area is located approximately 16 miles south by east of Nageesi, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 7, 1995

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 27-95 and 28-95 are tentatively set for September 21, 1995 and September 28, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11327: (Continued from August 24, 1995, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation for a high angle/horizontal directional drilling pilot project and for the promulgation of special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the designated and Undesignated Snake Eyes-Entrada Oil Pool underlying a single fee lease comprising all or portions of Sections 19, 20, and 21, Township 21 North, Range 8 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said project area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said area is located approximately 16 miles south by east of Nageesi, New Mexico.

CASE 11328: (Continued from August 24, 1995, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation for a high angle/horizontal directional drilling pilot project and for the promulgation of special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Media-Entrada Oil Pool within its proposed Media Entrada Secondary (Federal) Unit comprising portions of Sections 14, 15, 22, and 23, Township 19 North, Range 3 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said Unit Area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said area is located approximately 14 miles southwest of Cuba, New Mexico.

CASE 11329: (Continued from August 24, 1995, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation to amend Division Order No. R-9079, to extend the horizontal limits of the existing high angle/horizontal directional drilling pilot project area, and to adopt additional special operating rules therefor, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9079 by extending the project area approved therein to include the N/2 NW/4, SE/4 NW/4, NE/4 SW/4, and S/2 SW/4 of Section 15 and the SE/4 NE/4 and NE/4 SE/4 of Section 16, of Township 19 North, Range 5 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said Cooperative Area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said area is located approximately 22 miles northwest of San Luis, New Mexico.

CASES 10793, 10981, and 11004: (Reopened - Continued from August 24, 1995, Examiner Hearing.)

In the matter of Case Nos. 10793, 10981, and 11004 being reopened pursuant to the provisions of Division Order Nos. R-9976 and R-9976-A, which orders established a "pilot infill drilling program" in the Pecos Slope-Abo Gas Pool in portions of Townships 5, 6, and 7 South, Ranges 25 and 26 East, Chaves County. The applicant in this matter, Yates Petroleum Corporation, seeks the promulgation of special rules and regulations for the currently unprorated Pecos Slope-Abo Gas Pool, based on the geologic and engineering data acquired from the pilot program, including provisions to permit the optional drilling of an additional well on each 160-acre standard gas spacing and proration unit, designated well location requirements, and any other provisions deemed necessary in the implementation of "infill drilling" in said pool. Currently the Pecos Slope-Abo Gas Pool comprises approximately 199,000 acres in all or portions of Townships 4, 5, 6, 7, and 8 South, Ranges 24, 25, 26, and 27 East.

CASE 11373: Application of Harvey E. Yates Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Flint Unit Agreement for an area comprising 8,446.58 acres, more or less, of State lands in Townships 17 and 18 South, Ranges 35 and 36 East. Said unit area is centered approximately 8.5 miles east by south of Buckeye, New Mexico.

CASE 11374: Application of Santa Fe Energy Resources, Inc. for an exception to the casing requirements of Division Order No. R-111-P, Lea County, New Mexico. Applicant, in the above styled-cause, seeks authority to delete the salt protection string requirements of Division Order No. R-111-P in the "Oil-Potash Area" from its proposed Spessartine "28" Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 28, Township 21 South, Range 33 East, to a total depth of approximately 15,000 feet in order to test the Undesignated Legg-Atoka Morrow Gas Pool. Said well site is located approximately 24 miles west of Eunice, New Mexico.

CASE 11375: Application of Enron Oil & Gas Company to amend Division Order No. R-10109, promulgating special rules and regulations for the Red Hills-Bone Spring Pool, and for the assignment of a special depth bracket oil allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-10109, which promulgated "*Special Rules and Regulations for the Red Hills-Bone Spring Pool*", comprising all or portions of Sections 1, 12, and 13, Township 25 South, Range 33 East and Sections 6, 7, 8, 16, and 17, Township 25 South, Range 34 East, changing the well location requirements contained in Rules 2 and 4 to permit a well in each quarter section or lot of a standard 80-acre spacing and proration unit. Applicant further seeks the assignment of a special poolwide depth bracket oil allowable, pursuant to Division General Rule 505(d), of 660 barrels of oil per day per 80-acre unit. Said pool is located approximately 18.5 miles west by north of Jal, New Mexico.

CASE 11206: (Reopened)

Pursuant to Division Order No. R-10318, the application of Strata Production Company for pool creation, the promulgation of special pool rules, and for an unorthodox oil well location in Lea and Chaves Counties, New Mexico, is being reopened. Applicant, in the reopened case, seeks the creation of a new pool for the production of oil from the Devonian formation underlying the E/2 E/2 of Section 36, Township 12 South, Range 31 East, Lots 1 through 4 (W/2 W/2 equivalent) of Section 31, Township 12 South, Range 32 East, Lot 1 and the SE/4 NE/4 (E/2 NE/4 equivalent) of Section 1, Township 13 South, Range 31 East, and Lots 4 and 5 (W/2 NW/4 equivalent) of Section 6, Township 13 South, Range 32 East (being approximately 11.5 miles south-southwest of Caprock, New Mexico) and for the promulgation of Special Rules and Regulations therefor including provisions for 80-acre oil spacing and proration units and designated well location requirements. Applicant further seeks approval of an unorthodox oil well location in this newly created Devonian oil pool for a well to be drilled 1435 feet from the North line and 757 feet from the East line (Unit H) of said Section 36, the E/2 NE/4 of said Section 36 to be dedicated to said well thereby forming a standard 80-acre oil spacing and proration unit in said pool.

CASE 11376: Application of Kerr-McGee Corporation for an unorthodox infill gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its Winston-Federal Gas Com Well No. 2 at an unorthodox infill gas well location 697 feet from the North line and 2146 feet from the East line (Unit B) of Section 31, Township 21 South, Range 24 East, in the Indian Basin-Morrow Gas Pool. Said well is to be dedicated to an existing 637.18-acre gas spacing and proration unit comprising all of said irregular Section 31, which is presently dedicated to its Winston-Federal Gas Com Well No. 1, located at a standard gas well location 2080 feet from the South line and 1980 feet from the West line (Unit K) of said Section 31. Said unit is located approximately 4 miles east of the Marathon Oil Company Indian Basin Gas Plant.

CASE 11316: (Reopened and Readvertised)

Application of Marathon Oil Company for directional drilling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to directionally drill its Royal Well No. 1 from an unorthodox surface oil well location 2210 feet from the South line and 1310 feet from the East line (Unit I) of Section 33, Township 17 South, Range 35 East to a bottomhole location that is within a 50-foot radius of a point that is also considered to be unorthodox 2310 feet from the South line and 1310 feet from the East line of said Section 33. The NE/4 SE/4 of said Section 33 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for both the Blinberry formation and Undesignated East Vacuum-Drinkard Pool. Said unit is located approximately 3 miles east southeast of Buckeye, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 11335: (Continued from August 24, 1995, Examiner Hearing.)

Application of Naumann Oil & Gas, 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 E/2 of Section 34, Township 18 South, Range 29 East, 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 North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to the Empire "34" Federal Well No. 1 which is an existing well located at a standard gas well location 1980 feet from the North line and 1980 feet from the East line (Unit G) of Section 34 and which is to be re-entered and deepened in an attempt to complete in the Morrow formation. Also to be considered will be the costs of re-entering, deepening and completing said well and the allocation of those costs 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 re-entering, deepening and completing said well. Said unit is located approximately 9 miles southwest of Loco Hills, New Mexico.

CASES 10793, 10981, and 11004: (Reopened - Continued from September 7, 1995, Examiner Hearing.)

In the matter of Case Nos. 10793, 10981, and 11004 being reopened pursuant to the provisions of Division Order Nos. R-9976 and R-9976-A, which orders established a "pilot infill drilling program" in the Pecos Slope-Abo Gas Pool in portions of Townships 5, 6, and 7 South, Ranges 25 and 26 East, Chaves County. **The applicant in this matter, Yates Petroleum Corporation, seeks the promulgation of special rules and regulations for the currently unprorated Pecos Slope-Abo Gas Pool**, based on the geologic and engineering data acquired from the pilot program, including provisions to permit the optional drilling of an additional well on each 160-acre standard gas spacing and proration unit, designated well location requirements, and any other provisions deemed necessary in the implementation of "infill drilling" in said pool. Currently the Pecos Slope-Abo Gas Pool comprises approximately 199,000 acres in all or portions of Townships 4, 5, 6, 7, and 8 South, Ranges 24, 25, 26, and 27 East.

DOCKET NO. 33-95

DOCKET: COMMISSION HEARING - THURSDAY - NOVEMBER 9, 1995**9:00 A.M. - 2040 SOUTH PACHECO - SANTA FE, NEW MEXICO****The Land Commissioner's designee for this hearing will be Jami Bailey****CASE 11353:** (Continued from October 12, 1995, Commission Hearing.)

In the matter of the hearing called by the Oil Conservation Division to amend Rule 303.C. of its General Rules and Regulations pertaining to downhole commingling. The proposed amendments to Rule 303.C. would provide for administrative approval of applications for types of downhole commingling currently requiring notice and hearing.

CASE 11297: (De Novo)

Application of Exxon Corporation for a waterflood project, qualification for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" for said project, and for 18 non-standard oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute a waterflood project in the designated and Undesignated Avalon-Delaware Pool within its proposed Avalon Delaware Unit Area (being the subject of Case No. 11298) located in portions of Townships 20 and 21 South, Ranges 27 and 28 East, by the injection of water through 18 new wells to be drilled as injection wells and one well to be converted from a producing oil well to an injection well. Applicant further seeks to qualify this project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Applicant further seeks approval to drill 18 new producing wells throughout the project area at locations considered to be unorthodox. The proposed unit area is centered approximately 8 miles north of Carlsbad, New Mexico. Upon the application of Premier Oil & Gas, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11298: (De Novo)

Application of Exxon Corporation 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 designated and Undesignated Avalon-Delaware Pool underlying its proposed Avalon Delaware Unit Area encompassing some 2,140.14 acres, more or less, of Federal, State, and Fee lands comprising portions of Sections 25 and 35, Township 20 South, Range 27 East, all or portions of Sections 29, 30, 31, and 32, Township 20 South, Range 28 East, and portions of Sections 4, 5, and 6, Township 21 South, Range 28 East. Among the matters to be considered at the hearing, pursuant to the "New Mexico Statutory Unitization Act", Sections 70-7-1 et. seq., NMSA, 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 investments, 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 the unit operator, and time of commencement and termination of unit operations. Said unit area is centered approximately 8 miles north of Carlsbad, New Mexico. Upon the application of Premier Oil & Gas, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11413: (Continued from October 19, 1995, Examiner Hearing.)

Application of Amoco Production Company for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to surface commingle Blanco Mesaverde Pool gas production with Basin Dakota Pool gas production within the wellbore of its Blanco Com Well No. 1A, located 1120 feet from the South line and 950 feet from the East line (Unit P) of irregular Section 2, Township 30 North, Range 11 West. Said well is located approximately 1 1/2 miles northeast of Aztec, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE 11408: (Continued from October 19, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Morton Exploratory Unit Agreement for an area comprising 2,178.68 acres, more or less, of State and Fee lands comprising all or portions of Sections 33 and 33, Township 14 South, Range 35 East, and Sections 4, 5 and 6 of Township 15 South, Range 35 East, which is located approximately 14 miles south-southwest of Tatum, New Mexico.

CASE 11420: **Application of Yates Petroleum Corporation for a unit agreement, Roosevelt County, New Mexico.** Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed Sawyer North Unit Area containing 1,012.04 acres, more or less, of Federal and State lands in portions of Sections 32 and 33, Township 8 South, Range 38 East. Said unit area is located approximately 17 miles east by north of Crossroads, New Mexico.

CASE 11421: **Application of Yates Petroleum Corporation for the promulgation of special rules and regulations for the South Pecos Slope-Abo Gas Pool, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks the promulgation of special rules and regulations for the currently unprorated South Pecos Slope-Abo Gas Pool, including provisions to permit the optional drilling of an additional well on each 160-acre standard gas spacing and proration unit, designated well location requirements, and any other provisions deemed necessary in the implementation of "infill drilling" in said pool. Currently the South Pecos Slope-Abo Gas Pool comprises approximately 73,440 acres in portions of Townships 8, 9, 10, and 11 South, Ranges 24, 25, 26, and 27 East.

CASE 11422: **Application of Yates Petroleum Corporation for the promulgation of special rules and regulations for the West Pecos Slope-Abo Gas Pool, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks the promulgation of special rules and regulations for the currently unprorated West Pecos Slope-Abo Gas Pool, including provisions to permit the optional drilling of an additional well on each 160-acre standard gas spacing and proration unit, designated well location requirements, and any other provisions deemed necessary in the implementation of "infill drilling" in said pool. Currently the West Pecos Slope-Abo Gas Pool comprises approximately 92,480 acres in portions of Townships 5, 6, 7, 8, and 9 South, Ranges 21, 22, and 23 East.

CASE 11399: (Continued from October 5, 1995, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Diamond Back Petroleum Inc. and all other interested parties to appear and show cause why the following two wells located in Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug any or all of said wells, the Division seeks an order directing the operator to pay the costs of such plugging and if failing to do so, ordering a forfeiture of the plugging bond, if any, covering said wells:

Margie Kay Well No. 1, located 1980 feet from the North line and 1980 feet from the West line (Unit F) of Section 7, Township 17 South, Range 28 East.

Margie Kay Well No. 1, located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 7, Township 17 South, Range 28 East.