

DOCKET: EXAMINER HEARING - THURSDAY - JULY 7, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 21-94 and 22-94 are tentatively set for July 21, 1994 and August 4, 1994. 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 10976: (Continued from June 23, 1994, Examiner Hearing.)

Application of Harvey E. Yates 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 E/2 of Section 32, Township 17 South, Range 31 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. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 1.5 miles southwest of the junction of U.S. Highway 82 and State Road 529.

CASE 10985: (Continued from June 9, 1994, Examiner Hearing.)

Application of Burk Royalty Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Hanson "C" (Federal) Lease comprising the SW/4 of Section 23, Township 20 South, Range 34 East, by the injection of water into the Yates interval of the Undesignated Lynch Yates-Seven Rivers Pool through perforations from approximately 3564 feet to 3585 feet in its existing Hanson "C" Well No. 4 located 1650 feet from the South and West lines (Unit K) of said Section 23. Said well is located approximately 11 miles east of the junction of U.S. Highway 62/180 and New Mexico State Highway No. 176.

CASE 11013: **Application of Baber Well Servicing Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval for its NM "BZ" State NCT-5 Well No. 5 drilled at an unorthodox oil well location 40 feet from the North line and 750 feet from the West line (Unit D) of Section 29, Township 21 South, Range 35 East, as an infill well on an existing 40-acre standard oil proration unit in the North San Simon-Yates Associated Pool, which is currently dedicated to the Pronghorn Management Corporation NM "BZ" State NCT-5 Well No. 1 located at a standard oil well location 660 feet from the North and West lines of said Section 29. Said unit is located approximately 8.5 miles west-southwest of Oil Center, New Mexico. FURTHER, a single operator for the subject 40-acre unit shall be designated by the applicant at the time of the hearing.

CASE 11014: **Application of Phillips Petroleum Company for a non-standard oil proration unit, an unorthodox oil well location, a high angle/horizontal directional drilling pilot project, special operating rules therefor, a special project oil allowable and production testing period, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks the formation of a non-standard 120-acre oil spacing and proration unit in the Cherry Canyon member of the Cabin Lake-Delaware Pool comprising the SE/4 SW/4 and the S/2 SE/4 of Section 11, Township 22 South, Range 30 East, for the purpose of initiating a high angle/horizontal directional drilling pilot project. The applicant proposes to commence drilling vertically at an unorthodox surface oil well location 1060 feet from the South line and 10 feet from the East line (Unit P) of said Section 11, kick-off at a depth of approximately 5100 feet in west-southwesterly direction, build angle to approximately 90 degrees, and continue to drill horizontally in the Cherry Canyon formation for approximately 2200 feet. Further, the applicant seeks the adoption of special operating provisions for said pilot project including the designation of a prescribed area limiting the horizontal extent of said wellbore to a target window no closer than 330 feet to the outer boundary of said proration unit, the assignment of an acreage factor of 3.0 to the proposed 120-acre unit, or three times the number of 40-acre tracts connected to form the project area, and an exception to Division General Rule 502 to establish a 12-month test period and an extended time to make up any accrued over production from said test period. Said project area is located approximately 4 miles east of International Minerals & Chemical Inc.'s potash mine and mill.

CASE 10996: (Continued from June 23, 1994, Examiner Hearing.)

Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 22, Township 18 South, Range 32 East, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to its existing Querecho Plains Unit Well No. 1 which was drilled at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 22. Also to be considered will be the valuation of the existing wellbore and the cost of recompleting 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 recompleting said well. Said unit is located approximately 8 miles south-southwest from Maljamar, New Mexico.

CASE 11002: (Readvertised)

Application of West Largo Corporation for compulsory pooling, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Rusty-Chacra Pool underlying the SW/4 of Section 4 and the NW/4 and SW/4 of Section 9, all in Township 21 North, Range 6 West, forming three standard 160-acre gas spacing and proration units for said pool. Each 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 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 the wells and a charge for risk involved in drilling and completing said wells. Said units are located approximately 9 miles south of Counselor, New Mexico.

CASE 10989: (Readvertised)

Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox gas well location and non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location to be drilled 1600 feet from the North line and 1400 feet from the West line (Unit F) of irregular Section 7, Township 22 South, Range 24 East, Indian Basin-Upper Pennsylvanian Gas Pool. Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of said Section 7 are to be dedicated to said well forming a non-standard 297.68-acre gas spacing and proration unit for said pool. Said unit is located approximately 4.5 miles south-southeast of the Marathon Oil Company Indian Basin Gas Plant.

CASE 10174: (Reopened)

In the matter of Case No. 10714 being reopened pursuant to the provisions of Division Order No. R-9902, which order approved the Ceja Pelon Unit in the Rio Puerco-Mancos Oil Pool, Sandoval County, and promulgated temporary special operating rules and regulations for said Ceja Pelon unit. The operator and all interest owners in said Unit may appear and show cause why the Special Operating Rules and Regulations should remain in effect.

CASE 11015: **Application of Armstrong Energy Corporation for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to drill its Mobil Lea State Well No. 6 at an unorthodox oil well location 2590 feet from the North line and 1980 feet from the West line (Unit F) of Section 2, Township 20 South, Range 34 East, as an infill well on an existing 40-acre oil spacing and proration unit in the Undesignated Northeast Lea-Delaware Pool, which is currently dedicated to its Mobil Lea State Well No. 5 located at a previously approved unorthodox oil well location (Division Order No. R-10077) 2440 feet from the North line and 870 feet from the West line of said Section 2. Said unit is located approximately 8 miles south of the old Hobbs Army Air Force Auxiliary Airfield No. 4.

CASE 11016: **Application of Texaco Exploration and Production Inc. for creation of a new pool in the Tubb formation, classification of this pool as an associated oil and gas pool and for the promulgation of special pool rules, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks the creation of a new pool in the NW/4 of Section 9, Township 23 South, Range 37 East, to be classified as an "associated pool" and to adopt the "General Rules and Regulations for the Associated Oil and Gas Pools in Northwest and Southeast New Mexico", as promulgated by Division Order No. R-5353, as amended, as the governing procedures for said pool and to include provisions for 40-acre oil and 160-acre gas spacing and proration units. Further, the applicant requests an increased gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil for said pool. Said area is located approximately 8 miles south of Eunice, New Mexico.

CASE 10991: (Continued from June 9, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Abo formation, underlying the SE/4 of Section 20, Township 6 South, Range 26 East, 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 Pecos Slope Abo Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 15 miles west-northwest of Elkins, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 4, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 24-94 and 25-94 are tentatively set for August 18, 1994 and September 1, 1994. 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 9253: (Reopened)

In the matter of Case No. 9253 being reopened pursuant to the provisions of Division Order No. R-8546, which order created the Santo Nino-Bone Spring Pool in Eddy County, New Mexico, and promulgated Temporary Special Rules and Regulations, including a provision for 80-acre spacing and proration units and designated well locations. All operators in said pool may appear and show cause why the Santo Nino-Bone Spring Pool should not be developed on 40-acre spacing units.

CASE 10976: (Continued from July 7, 1994, Examiner Hearing.)

Application of Harvey E. Yates 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 E/2 of Section 32, Township 17 South, Range 31 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. 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 1.5 miles southwest of the junction of U.S. Highway 82 and State Road 529.

CASE 11013: (Continued from July 7, 1994, Examiner Hearing)

Application of Baber Well Servicing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its NM "BZ" State NCT-5 Well No. 5 drilled at an unorthodox oil well location 40 feet from the North line and 750 feet from the West line (Unit D) of Section 29, Township 21 South, Range 35 East, as an infill well on an existing 40-acre standard oil proration unit in the North San Simon-Yates Associated Pool, which is currently dedicated to the Pronghorn Management Corporation NM "BZ" State NCT-5 Well No. 1 located at a standard oil well location 660 feet from the North and West lines of said Section 29. Said unit is located approximately 8.5 miles west-southwest of Oil Center, New Mexico. FURTHER, a single operator for the subject 40-acre unit shall be designated by the applicant at the time of the hearing.

CASE 11046: Application of Primero Operating, Inc. for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for its Hi-Way State Well No. 1 which is currently being drilled at an unorthodox oil well location 2417 feet from the South line and 2245 feet from the East line (Unit J) of Section 36, Township 10 South, Range 27 East, to test the Devonian formation. The NW/4 SE/4 of said Section 36 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 11 miles northeast of Bottomless Lake State Park, New Mexico.

CASE 11003: (Continued from July 21, 1994, Examiner Hearing.)

Application of Hal J. Rasmussen Operating, Inc. for a pressure maintenance project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Farnsworth A Lease in Section 13, Township 26 South, Range 36 East, by the injection of water into the Seven Rivers formation, Scarborough Yates-Seven Rivers Pool, through its Farnsworth A Wells No. 1 and 2 located in Units A and P, respectively, of said Section 13. Said project is located approximately 4 miles south-southwest of Jal, New Mexico.

CASE 11047: 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 its Johnson "POW" Well No. 1 at an unorthodox coal gas well location 240 feet from the South line and 340 feet from the East line (Unit P) of Section 21, Township 27 North, Range 10 West, NMPM, in the Basin-Fruitland Coal Gas Pool. The E/2 of Section 21 is to be simultaneously dedicated to the above-described well and to the existing Johnson Well No. 2 located 1625 feet from the South line and 1090 feet from the East line (Unit I), for the purpose of conducting a reservoir study within the Basin-Fruitland Coal Gas Pool. Said well is located approximately 11 miles southeast of Bloomfield, New Mexico.

CASE 11038: (Continued from July 21, 1994, Examiner Hearing.)

Application of Meridian Oil Inc. for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks exceptions from Division General Rule 303(C) to establish on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde and Gallup gas production in the wellbores of existing or future wells drilled anywhere within Sections 26 through 30, 33, 34 and S/2 of 35 in Township 26 North, Range 6 West, said production being portions of the Basin-Dakota Pool, the Blanco Mesaverde Pool and Undesignated Gallup production. The center of said area is located approximately 4 miles southeast of El Paso Natural Gas Company Largo Station, New Mexico.

CASE 11039: (Continued from July 21, 1994, Examiner Hearing.)

Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Aztec-Pictured Cliffs Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its existing Fifield Well No. 2, located 1650 feet from the South line and 1090 feet from the East line (Unit I) Section 5, Township 29 North, Range 11 West. Said well is considered to be an "off-pattern" unorthodox coal gas well location and is to be dedicated to a 305.92-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool comprising Lots 1 and 2, the S/2 NE/4 and SE/4 (E/2 equivalent) of said Section 5. Said well is located approximately 3.5 miles north northwest of Bloomfield, New Mexico.

CASE 11042: (Continued from July 21, 1994, Examiner Hearing.)

Application of Meridian Oil Inc. for salt water disposal, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Jillison Federal SWD Well No. 1 in the SE/4 NW/4 (Unit F) of Section 8, Township 24 North, Range 3 West, for the purpose of disposing produced salt water into the Entrada formation through perforations from approximately 8441 feet to 8683 feet. Said location is approximately 6 miles west-northwest of Lindrih, New Mexico.

CASE 11048: **Application of Bass Enterprises Production Co. for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Section 30, Township 23 South, Range 30 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. Said unit is to be dedicated to a 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 applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.0 miles northwest of Poker Lake.

CASE 10996: (Continued from July 7, 1994, Examiner Hearing.)

Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 22, Township 18 South, Range 32 East, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to its existing Querecho Plains Unit Well No. 1 which was drilled at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 22. Also to be considered will be the valuation of the existing wellbore and the cost of recompleting 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 recompleting said well. Said unit is located approximately 8 miles south-southwest from Maljamar, New Mexico.

CASE 11002: (Continued from July 7, 1994, Examiner Hearing.)

Application of West Largo Corporation for compulsory pooling, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Rusty-Chacra Pool underlying the SW/4 of Section 4, Township 21 North, Range 6 West, forming a standard 160-acre gas 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 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 9 miles south of Counselor, New Mexico.

CASE 11020: (Continued from July 21, 1994, Examiner Hearing.)

Application of Paloma Resources, Inc. for simultaneous dedication of, in the alternative, pool creation, pool contraction and for two non-standard gas proration units, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 104.C(2) as outlined in Division Memorandum dated August 30, 1990, to authorize the concurrent production of its Peery Federal Well No. 2, located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 29, Township 15 South, Range 30 East, and its Peery Federal Well No. 3, located 1820 feet from the South line and 2140 feet from the West line (Unit K) of said Section 29 and the simultaneous dedication of said wells to a standard 320-acre gas spacing and proration unit comprising the S/2 of said Section 29 for production from the Little Lucky Lake-Morrow Gas Pool. IN THE ALTERNATIVE, the applicant seeks the contraction of the Little Lucky Lake-Morrow Gas Pool by deleting the SE/4 of said Section 29 from said pool and the concomitant creation of a new Morrow gas pool to comprise said acreage. Further, the applicant requests the formation of two non-standard 160-acre gas spacing and proration units for Morrow gas production from the SE/4 and SW/4 of said Section 29. Said area is located approximately 11.5 miles north by east of Loco Hills, New Mexico.

CASE 11013: (Continued from August 4, 1994, Examiner Hearing)

Application of Baber Well Servicing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its NM "BZ" State NCT-5 Well No. 5 drilled at an unorthodox oil well location 40 feet from the North line and 750 feet from the West line (Unit D) of Section 29, Township 21 South, Range 35 East, as an infill well on an existing 40-acre standard oil proration unit in the North San Simon-Yates Associated Pool, which is currently dedicated to the Pronghorn Management Corporation NM "BZ" State NCT-5 Well No. 1 located at a standard oil well location 660 feet from the North and West lines of said Section 29. Said unit is located approximately 8.5 miles west-southwest of Oil Center, New Mexico. FURTHER, a single operator for the subject 40-acre unit shall be designated by the applicant at the time of the hearing.

CASE 11072: In the matter of the application of the Oil Conservation Division upon its own motion for an order for creating, reclassifying, assigning a bonus discovery allowable, and extending certain pools in Eddy and Lea Counties, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Antelope Draw-Delaware Pool. The discovery well is the Pogo Producing Company Falcon Federal Well No. 1 located in Unit I of Section 1, Township 24 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM

Section 1: SE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Caudill-Atoka (Gas) Pool. The discovery well is the V-F Petroleum Inc. Graham Well No. 1 located in Unit L of Section 9, Township 15 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM

Section 9: SW/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for (McKee) Simpson production and designated as the Hardy Simpson Pool. The discovery well is the Conoco Inc. Hardy 36 State Well No. 1 located in Unit K of Section 36, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 36: SW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the North Lovington-Strawn Pool. The discovery well is the P G & E Resources Company Smith 15 Well No. 1 located in Unit N of Section 15, Township 16 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 15: SW/4

CASE 11068: Application of Arco Permian to rescind Division Order No. R-4808-A and for the adoption of special rules and regulations for the Riverwolf Unit (the former Citgo Empire-Abo Unit) including special oil allowable provisions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks rescission of Division Order No. R-4808-A, which order provided for development of the Riverwolf Unit, formerly the Citgo Empire-Abo Unit, under statewide rules and seeks adoption of special allowable limits which will permit production rates at levels constituent with withdrawals from the off-setting Empire-Abo Unit. This unit is located approximately 8 miles east of Artesia, New Mexico.

CASE 11069: Application of Arco Permian for amendment of the special rules and regulations for the Empire-Abo Pressure Maintenance Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the special rules and regulations for the Empire-Abo Pressure Maintenance Project Area, as promulgated by Division Order Nos. R-4549 through R-4549-G, to permit partial gas sales of project gas and to amend the reporting requirements for project operations to accommodate these sales. This unit is located 6 to 12 miles east of Artesia, New Mexico.

CASE 11050: (Readvertised)

Application of EnRe Corporation for a high angle/horizontal directional drilling pilot project and for the promulgation of such special operating rules therefor, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to establish a high angle/horizontal directional drilling pilot project in the designated and Undesignated Boulder-Mancos Oil Pool comprising all of Section 22, Township 28 North, Range 1 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 the horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said project area is located approximately 3 miles west of Burford Lake.

CASE 11070: Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling, an unorthodox gas well location, and a non-standard gas proration unit, 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 Atoka formation underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 19, Township 23 South, Range 29 East, forming a non-standard 313.66-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 Laguna Salado-Atoka Gas Pool or the Undesignated South Culebra Bluff-Atoka Gas Pool. Said unit is to be dedicated to its Harroun Trust "19" Well No. 1, to be drilled at an unorthodox gas well location 1310 feet from the South line and 1330 feet from the West line 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 and completing said well. Said unit is located approximately four miles east of Loving, New Mexico.

CASE 11021: (Continued from July 21, 1994, Examiner Hearing.)

Application of Mewbourne Oil 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 E/2 of Section 22, Township 20 South, Range 25 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 Undesignated Cemetery-Morrow Gas Pool or the Undesignated West Bubbling Springs-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles south of Lakewood, New Mexico.

CASE 11071: Application of Mobil Exploration & Producing U.S. Inc. for a high angle/horizontal directional drilling project, special operating rules therefor, a non-standard oil spacing and proration unit and a special project allowable and testing period, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill three high angle/horizontal directionally drilled wells to the Drinkard formation in NW/4 of Section 34, and the NW/4 SW/4 of Section 33, Township 17 South, Range 35 East. Applicant further seeks the adoption of special operating provisions and rules within the project area including the designation of a target window for each of the horizontal wellbores such that its producing intervals can be no closer than 330 feet to any boundary of its respective oil spacing and proration unit consisting of N/2 NW/4 or S/2 NW/2 of Section 34 and the NW/4 SW/4 of Section 33, and for a special project allowable and testing period. Said project area is located approximately 3 miles east-southeast of Buckeye, New Mexico.

CASE 11885: (Continued from December 4, 1997, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation, for all formations developed on 320-acre spacing in the N/2, all formations developed on 160-acre spacing in the NW/4 including the South Salt Lake Morrow Gas Pool and all formations developed on 40-acre spacing in the NE/4 NW/4 of Section 34, Township 20 South, Range 33 East. Said unit is to be dedicated to its Tomahawk "34" Federal Com Well No. 1 to be drilled at a standard location 660 feet from the North line and 1650 feet from the West line of said Section 34 to test all formations from the surface to the base of the Morrow formation. 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 Halfway, New Mexico.

CASE 11886: (Readvertised and Reopened by the Division for a Show Cause Hearing)

Application of Baber Well Servicing Company and/or Pronghorn Management Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks approval for its New Mexico "BZ" State NCT-5 Well No. 5 (API No. 30-025-32362), drilled at an unorthodox oil well location 40 feet from the North line and 750 feet from the West line (Unit D) of Section 29, Township 21 South, Range 35 East, as an infill well on an existing 40-acre standard oil spacing and proration unit in the North San Simon-Yates Associated Pool comprising the NW/4 NW/4 of said Section 29, which is dedicated to the Pronghorn Management Corporation New Mexico "BZ" State NCT-5 Well No. 1 (API No. 30-025-03521), located at a standard oil well location 660 feet from the North and East lines (Unit D) of said Section 29. Said 40-acre unit is located approximately 8.5 miles west-southwest of Oil Center, New Mexico. **FURTHER, the operator of said 40-acre unit shall appear and show cause why:** (i) the New Mexico "BZ" State NCT-5 Well No. 5 should not be plugged and abandoned; (ii) it commenced producing said well without proper authorization; (iii) the offset interests' correlative rights were not violated by the past production; and (iv) a civil penalty should not be assessed or other restrictions imposed for any violations committed by the operator.

CASE 11869: (Continued from December 4, 1997, Examiner Hearing.)

Application of Charles B. Gillespie, Jr. for compulsory pooling and a non-standard oil spacing and proration unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lots 17 and 18 of Section 6, Township 16 South, Range 36 East, to form a non-standard 73.12-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within said vertical extent, including the Undesignated Northeast Shoe Bar-Strawn Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location 990 feet from the South line and 874 feet from the West line (Unit M) of Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles west of Lovington, New Mexico.

CASE 11882: (Continued from December 4, 1997, Examiner Hearing.)

Application of Xeric Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4 SE/4 of Section 14, Township 20 South, Range 38 East, forming a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing, including but not necessarily limited to the D-K-Abo Pool. Said unit is to be dedicated to its Hall Well No. 1 to be drilled and completed at a standard well location in Unit P of said Section 14. Also to be considered will be the costs 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 10 miles southeast of Hobbs, New Mexico.

CASE 11889: (Continued from December 4, 1997, Examiner Hearing.)

Application of Leonard Resource Investment Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4 SE/4 of Section 14, Township 20 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for all formations and/or pools spaced on 40 acres within said vertical extent, including but not limited to the Undesignated House-San Andres Pool, Undesignated South House-Blinbry Pool, Undesignated East Warren-Tubb Pool, Undesignated House-Drinkard Pool, and Undesignated D-K Abo Pool. Said unit is to be dedicated to applicant's Bull Durham Well No. 1, to be drilled at an orthodox oil well location 330 feet from the South line and 660 feet from the East line of said Section 14. Also to be considered will be the cost of drilling said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 9 miles south-southwest of Hobbs, New Mexico.

CASE 11901

Application of the Oil Conservation Division for a show cause hearing for the plugging of fourteen wells, Lea and Eddy Counties, New Mexico. In the matter of the hearing called by the Oil Conservation Division ("Division") to permit the operator, Meteor Developments, Inc., and all other interested parties to appear and show cause why fourteen wells (four wells located in Units I, N, O and P - Section 22; two in Units K and M - Section 23; and five in Units C, D, E, L and M - Section 26, all in Township 9 South, Range 36 East, Lea County Section and three wells located in Units F, K and L - Section 20, Township 22 South, Range 27 East, 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 allowing the Division to plug said wells, 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. Said wells are located approximately 8 miles southeast of Milnesand, New Mexico and approximately one mile south-southeast of Carlsbad, New Mexico.

CASE 11869: (Continued from December 18, 1997, Examiner Hearing.)

Application of Charles B. Gillespie, Jr. for compulsory pooling and a non-standard oil spacing and proration unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lots 17 and 18 of Section 6, Township 16 South, Range 36 East, to form a non-standard 73.12-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within said vertical extent, including the Undesignated Northeast Shoe Bar-Strawn Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location 990 feet from the South line and 874 feet from the West line (Unit M) of Section 6. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles west of Lovington, New Mexico.

CASE 11913: **Application of Yates Petroleum Corporation for authorization to drill within the Potash Area as defined by Order No. R-111-P, Eddy County, New Mexico.** Applicant seeks approval to drill its Jacque "AQJ" State Well No. 1 at a point located 330 feet from the South line and 330 feet from the West line (Unit M) of Section 34, Township 21 South, Range 31 East. Applicant seeks to test the Delaware and intermediate formations by drilling its proposed well to a depth of 8,150 feet. Said location is approximately 13 miles northeast of the intersection of Highways 31 and 128.

CASE 11914: **Application of Yates Petroleum Corporation for authorization to drill within the Potash Area as defined by Order No. R-111-P, Eddy County, New Mexico.** Applicant seeks approval to drill its Jacque "AQJ" State Well No. 2 at a point located 1650 feet from the South line and 330 feet from the West line (Unit L) of Section 34, Township 21 South, Range 31 East. Applicant seeks to test the Delaware and intermediate formations by drilling its proposed well to a depth of 8,150 feet. Said location is approximately 13 miles northeast of the intersection of Highways 31 and 128.

CASE 11915: **Application of Yates Petroleum Corporation for authorization to drill within the Potash Area as defined by Order No. R-111-P, Eddy County, New Mexico.** Applicant seeks approval drill its Jacque "AQJ" State Well No. 3 at a point located 330 feet from the South line and 1650 feet from the West line (Unit N) of Section 34, Township 21 South, Range 31 East. Applicant seeks to test the Delaware and intermediate formations by drilling its proposed well to a depth of 8,150 feet. Said location is approximately 13 miles northeast of the intersection of Highways 31 and 128.

CASE 11916: **Application of Yates Petroleum Corporation for authorization to drill within the Potash Area as defined by Order No. R-111-P, Eddy County, New Mexico.** Applicant seeks approval to drill its Jacque "AQJ" State Well No. 4 at a point located 990 feet from the North line and 330 feet from the West line (Unit D) of Section 34, Township 21 South, Range 31 East. Applicant seeks to test the Delaware and intermediate formations by drilling its proposed well to a depth of 8,150 feet. Said location is approximately 13 miles northeast of the intersection of Highways 31 and 128.

CASE 11013: (Continued from December 18, 1997, Examiner Hearing. Readvertised and Reopened by the Division for a Show Cause Hearing)

Application of Baber Well Servicing Company and/or Pronghorn Management Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks approval for its New Mexico "BZ" State NCT-5 Well No. 5 (API No. 30-025-32362), drilled at an unorthodox oil well location 40 feet from the North line and 750 feet from the West line (Unit D) of Section 29, Township 21 South, Range 35 East, as an infill well on an existing 40-acre standard oil spacing and proration unit in the North San Simon-Yates Associated Pool comprising the NW/4 NW//4 of said Section 29, which is dedicated to the Pronghorn Management Corporation New Mexico "BZ" State NCT-5 Well No. 1 (API No. 30-025-03521), located at a standard oil well location 660 feet from the North and East lines (Unit D) of said Section 29. Said 40-acre unit is located approximately 8.5 miles west-southwest of Oil Center, New Mexico. **FURTHER, the operator of said 40-acre unit shall appear and show cause why:** (i) the New Mexico "BZ" State NCT-5 Well No. 5 should not be plugged and abandoned; (ii) it commenced producing said well without proper authorization; (iii) the offset interests' correlative rights were not violated by the past production; and (iv) a civil penalty should not be assessed or other restrictions imposed for any violations committed by the operator.

CASE 11882: (Continued from December 18, 1997, Examiner Hearing.)

Application of Xeric Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4 SE/4 of Section 14, Township 20 South, Range 38 East, forming a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing, including but not necessarily limited to the D-K-Abo Pool. Said unit is to be dedicated to its Hall Well No. 1 to be drilled and completed at a standard well location in Unit P of said Section 14. Also to be considered will be the costs 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 10 miles southeast of Hobbs, New Mexico.

CASE 11889: (Continued from December 18, 1997, Examiner Hearing.)

Application of Leonard Resource Investment Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4 SE/4 of Section 14, Township 20 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for all formations and/or pools spaced on 40 acres within said vertical extent, including but not limited to the Undesignated House-San Andres Pool, Undesignated South House-Blinberry Pool, Undesignated East Warren-Tubb Pool, Undesignated House-Drinkard Pool, and Undesignated D-K Abo Pool. Said unit is to be dedicated to applicant's Bull Durham Well No. 1, to be drilled at an orthodox oil well location 330 feet from the South line and 660 feet from the East line of said Section 14. Also to be considered will be the cost of drilling said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 9 miles south-southwest of Hobbs, New Mexico.

CASE 11917: **Application of Oil Conservation Division to order Paramount Petroleum, Inc. to plug 18 wells in San Juan County, New Mexico.** In the matter of the hearing called by the Oil Conservation Division ("Division") to permit the operator, Paramount Petroleum, Inc. and all other interested parties to appear and show cause why eighteen wells in Sections 19, 20, 29 and 34 (Units A, G, I, C, K and E in Section 29; Units K and M in Section 20; Units I and C in Section 19; and Units D, B, F, H, L, J, P and N in Section 34) Township 29 North, Range 13 West, San Juan 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 said wells, the Division seeks an order directing the operator to pay the costs of such plugging, declaring a forfeiture of the plugging bond, if any, covering said wells, and assessing fines on the operator if it fails to plug said wells. Said wells are located approximately 2 miles southwest and 3 miles south of Farmington, New Mexico.

CASE 11918: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Eddy County, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Anderson-Wolfcamp Pool. The discovery well is the Mack Energy Corporation White Oak State Well No. 1 located in Unit P of Section 23, Township 17 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 23: E/2

Section 24: All

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Abo production and designated as the East Cedar Lake-Abo Pool. The discovery well is the Texaco Exploration & Production Inc. Skelly Unit Well No. 903 located in Unit P of Section 22, Township 17 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 22: SE/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the East Dagger Draw-Strawn Gas Pool. The discovery well is the Nearburg Production Company Anderson Corn Well No. 1 located in Unit B of Section 10, Township 20 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 10: N/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Southeast Hackberry-Morrow Gas Pool. The discovery well is the Bass Enterprises Production Company Big Eddy Unit Well No. 122 located in Unit F of Section 4, Township 20 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM

Section 4: N/2

- (e) EXTEND the Southeast Big Sinks-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM

Section 10: E/2

Section 11: W/2

Section 14: NW/4

Section 15: NE/4

CASE 11906: (Continued from January 22, 1998, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation underlying the following described acreage in Section 5, Township 20 South, Range 25 East and in the following manner: Lots 1, 2 and the S/2 NE/4 (the NE/4) to form a standard 160.45-acre oil spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent, including the Undesignated North Dagger Draw-Upper Pennsylvanian Pool; and the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools spaced on 40 acres within said vertical extent, including the Undesignated Seven Rivers-Yeso Pool. Said units are to be dedicated to applicant's S.P. Johnson Com Well No. 2, located 1650 feet from the North line and 1980 feet from the East line (Unit G) of said Section 5. 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 the risk involved in drilling said well. Said unit is located approximately 4.5 miles west-northwest of Seven Rivers, New Mexico.

CASE 11013: (Continued from January 22, 1998, Examiner Hearing. Readvertised and Reopened by the Division for a Show Cause Hearing)

Application of Baber Well Servicing Company and/or Pronghorn Management Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks approval for its New Mexico "BZ" State NCT-5 Well No. 5 (API No. 30-025-32362), drilled at an unorthodox oil well location 40 feet from the North line and 750 feet from the West line (Unit D) of Section 29, Township 21 South, Range 35 East, as an infill well on an existing 40-acre standard oil spacing and proration unit in the North San Simon-Yates Associated Pool comprising the NW/4 NW/4 of said Section 29, which is dedicated to the Pronghorn Management Corporation New Mexico "BZ" State NCT-5 Well No. 1 (API No. 30-025-03521), located at a standard oil well location 660 feet from the North and East lines (Unit D) of said Section 29. Said 40-acre unit is located approximately 8.5 miles west-southwest of Oil Center, New Mexico. **FURTHER, the operator of said 40-acre unit shall appear and show cause why:** (i) the New Mexico "BZ" State NCT-5 Well No. 5 should not be plugged and abandoned; (ii) it commenced producing said well without proper authorization; (iii) the offset interests' correlative rights were not violated by the past production; and (iv) a civil penalty should not be assessed or other restrictions imposed for any violations committed by the operator.

CASE 11927: **Application of Redstone Oil & Gas Company for compulsory pooling and unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 12, Township 23 South, Range 24 East, and in the following manner: All of Section 12 to form a standard 640-acre gas spacing and proration unit for any formations and/or pools developed on 640-acre spacing within said vertical extent, including but not limited to the Rock Tank-Upper Morrow Gas Pool and the Rock Tank-Lower Morrow Gas Pool; and the N/2 of Section 12 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. Said units are to be dedicated to a well to be located at an unorthodox gas well location 500 feet from the North line and 2515 feet from the East line (Unit B) of said Section 12. 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 the risk involved in drilling said well. Said unit is located approximately 11 miles northwest of Whites City, New Mexico.**CASE 11919:** (Continued from February 5, 1998, Examiner Hearing.)

Application of Enron Oil & Gas Company for compulsory pooling and unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow-Chester formation, Undesignated Grayburg-Morrow Gas Pool, underlying the N/2 of Section 34, Township 17 South, Range 29 East, for all formations developed on 320-acre spacing. Applicant proposes to dedicated this pooled unit to its STW "34" Federal Com. Well No. 1 to be drilled at an unorthodox gas well location 660 feet from the North line and 1250 feet from the East line (Unit A) of said Section 34. 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 the risk involved in drilling said well. Said area is located approximately 5 miles west-southwest of Loco Hills, New Mexico.

CASE 11928: **Application of Oryx Energy Company for the expansion of the Indian Basin-Upper Pennsylvanian Associated Pool and the contraction of the Indian Basin-Upper Pennsylvanian Gas Pool and for approval of a non-standard gas proration and spacing unit, Eddy County, New Mexico.** Applicant seeks an order expanding the Indian Basin-Upper Pennsylvanian Associated Pool to include the E/2 of Section 36, Township 21 South, Range 23 East, and the corresponding contraction of the Indian Basin-Upper Pennsylvanian Gas Pool to delete said acreage from that pool. In addition, applicant seeks the approval of a non-standard gas proration and spacing unit consisting of the W/2 of said Section 36 to be dedicated to production from the Indian Basin-Upper Pennsylvanian Gas Pool. This acreage is located approximately 14 miles southwest of Seven Rivers, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 19, 1998**8:15 AM - 2040 South Pacheco****Santa Fe, New Mexico**

Dockets Nos 6-98 and 7-98 are tentatively set for March 5, 1998 and March 19, 1998. 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 11923:** Application of Shahara Oil, L.L.C. for a unit agreement, Lea County, New Mexico. Applicant seeks approval of its Shahara State Unit Agreement for an area encompassing 320 acres, more or less, of State lands consisting of the W/2 of Section 16, Township 17 South, Range 33 East. Said unit area is located approximately 5.5 miles east-southeast of Maljamar, New Mexico.
- CASE 11924:** Application of Shahara Oil, L.L.C. for a waterflood/tertiary recovery project, qualification for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" for said project, and for two unorthodox oil well locations, Lea County, New Mexico. Applicant seeks approval to institute a waterflood and tertiary recovery project utilizing micro-organisms for enhanced recovery in the Maljamar-Grayburg-San Andres Pool within its proposed Shahara State Unit Area (being the subject of Case No. 11923) to comprise the W/2 of Section 16, Township 17 South, Range 33 East, by the injection of water through 8 certain existing wells. 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 two new producing wells along the western edge of the proposed Unitized Area at locations considered to be unorthodox. The proposed project area is located approximately 5.5 miles east-southeast of Maljamar, New Mexico.
- CASE 11925:** Application of KCS Medallion Resources, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval of an unorthodox gas well location within the Turkey Track-Morrow Gas Pool for its PDM Well No. 1 to be drilled 860 feet from the South line and 660 feet from the West line (Unit M) of Section 16, Township 19 South, Range 29 East, being approximately 12.5 miles south-southwest of Loco Hills, New Mexico. The S/2 of said Section 16 is to be dedicated to said well to form a standard 320-acre gas spacing and proration unit for said pool.
- CASE 11926:** Application of KCS Medallion Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant 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 19 South, Range 28 East, and in the following manner: the W/2 of Section 33 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, including but not limited to the Undesignated Winchester-Morrow Gas Pool, the Winchester-Atoka Gas Pool, the North Burton Flat-Strawn Gas Pool, and the Winchester-Wolfcamp Gas Pool; the SW/4 of Section 33 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; the N/2 SW/4 of Section 33 to form a standard 80-acre spacing unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, including but not limited to the Undesignated Old Millman Ranch-Bone Spring Associated Pool; and the NW/4 SW/4 of Section 33 for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, including but not limited to the Undesignated Old Millman Ranch-Bone Spring Associated Pool, the Undesignated Fadeaway Ridge-Delaware Pool, and the Undesignated East Millman Yates-Seven Rivers-Queen-Grayburg-San Andres Pool. Said units will be dedicated to its Many Sands "33" Well No. 1, to be drilled at an orthodox location 1650 feet from the South line and 660 feet from the West line (Unit L) of said Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said unit is located approximately 11 miles east-southeast of Lakewood, New Mexico.
- CASE 11877:** (Continued from February 5, 1998, Examiner Hearing.)
- Application of Fasken Land and Minerals, Ltd. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying all of Section 12, Township 23 South, Range 24 East, forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the Rock Tank-Upper Morrow Gas Pool and the Rock Tank-Lower Morrow Gas Pool. Said unit is to be dedicated to its Camero "12" Federal Com Well No. 1 to be drilled and completed at an unorthodox gas well location 500 feet from the North line and 2265 feet from the West line (Unit E) of said Section 12. Also to be considered will be the costs 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 Fasken Oil and Ranch, Ltd. as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 15 miles southwest of Carlsbad, New Mexico.