

CASE 9895: Application of Richmond Petroleum, Inc. for compulsory pooling and an unorthodox coal gas well location, San Juan and Rio Arriba Counties, 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 Irregular Section 11, Township 32 North, Range 6 West, forming a standard 320-acre gas spacing and proration unit for said pool, said unit to be dedicated to a well to be drilled at a non-standard coal gas well location 1800 feet from the South line and 230 feet from the West line (Unit L) of said Section 11. 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 1/2 mile south of Astronomical Monument No. 8 located on the Colorado/New Mexico Stateline.

CASE 9896: Application of Siete Oil & Gas Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Scottsdale Federal Lease underlying the NE/4 of Section 27, Township 18 South, Range 31 East, by the injection of water into the Shugart Yates-Seven Rivers-Queen-Grayburg Pool through the perforated interval from approximately 2475 feet to 3707 feet in its Scottsdale Federal Well No. 2 located 330 feet from the North line and 990 feet from the East line (Unit A) of said Section 27. Said well is located approximately 10 miles southeast of Loco Hills, New Mexico.

CASE 9897: Application of Siete Oil & Gas Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Sackett Federal Lease underlying the S/2 SW/4 and SW/4 SE/4 of Section 29, Township 17 South, Range 29 East, by the injection of water into the Grayburg Jackson Pool through the perforated interval from approximately 2300 feet to 3220 feet in its Sackett Federal Well No. 2 located 660 feet from the South line and 1650 feet from the West line (Unit N) of said Section 29. Said well is located approximately 7 miles west by south of Loco Hills, New Mexico.

~~CASE 9898:~~ Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the SE/4 SW/4 and SE/4 of Section 5 and the NE/4 NE/4 and NE/4 NW/4 of Section 8, all in Township 20 South, Range 37 East, forming a non-standard 280-acre gas spacing and proration unit for said pool. The applicant proposes to dedicate all production from the Eumont Gas Pool to the existing Britt-Laughlin Com. Well No. 5 (formerly the Oxy USA, Inc. Laughlin "B" Well No. 5) located 330 feet from the South line and 2310 feet from the East line (Unit O) of said Section 5 and to the existing Britt-Laughlin Com. Well No. 1 (formerly the Britt "B-8" Well No. 1) located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 8 and to a third well to be drilled at an undetermined location in the SE/4 of said Section 5. Applicant further seeks to be designated operator of the non-standard gas proration unit so created and be entitled to recover out of the production therefrom his costs of drilling, completing and equipping a new infill well, plus a 200% risk factor for drilling, completing and equipping such new infill well, and an equitable and proper percentage of the value of the existing wellbores of applicant's Britt-Laughlin Com. Well Nos. 1 and 5, and all costs of supervision and operation of such non-standard gas proration unit, and that such order also provide for any other relief which may be deemed equitable and proper. The subject area is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9884: (Continued from March 7, 1990, Examiner Hearing)

Application of OXY USA, Inc. for compulsory pooling, non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the SE/4 of Section 5 and the NE/4 NE/4 of Section 8, all in Township 20 South, Range 37 East, forming a non-standard 200-acre gas spacing and proration unit for said pool, said unit to be simultaneously dedicated to the existing Laughlin "B" Well No. 5 located 330 feet from the South line and 2310 feet from the East line (Unit O) of said Section 5, and to the plugged and abandoned Laughlin "B" Well No. 1 to be re-entered and recompleted in the Eumont Gas Pool at a standard gas well location 1980 feet from the South and East lines (Unit J) of said Section 5. Also to be considered will be the cost of re-entering and recompleting the Laughlin "B" Well No. 1 and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the unit and a charge for risk involved in the re-entering and recompletion of said well. Said unit is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9885: (Continued from March 7, 1990, Examiner Hearing)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying either the SE/4 SW/4 of Section 5 and the E/2 W/2 of Section 8, Township 20 South, Range 37 East, forming a non-standard 200-acre gas spacing and proration unit for said pool, or IN THE ALTERNATIVE, the SE/4 SW/4 of said Section 5 and the N/2 NE/4 and NE/4 NW/4 of said Section 8, forming a non-standard 160-acre gas spacing and proration unit for said pool. In either instance the applicant proposes to dedicate all production from the Eumont Gas Pool to the existing Britt "B-8" Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 8 and to a second well to be drilled at a standard gas well location within the applicable non-standard unit. Applicant further seeks to be designated operator of the non-standard gas proration unit so created and be entitled to recover out of the production therefrom its cost of drilling, completing and equipping a new infill well, plus a 200% risk factor for drilling, completing and equipping such infill well, plus an equitable and proper percentage of the value of the existing wellbore of said Britt "B-8" Well No. 1, and all costs of supervision and operation of such unit, and that such order also provide for any other relief which may be deemed equitable and proper. The subject area is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9935: Application of Harvey E. Yates Company for a horizontal directional drilling pilot project and special operating rules therefor, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a horizontal directional drilling pilot project in the S/2 of Section 26, Township 13 South, Range 35 East,, forming a standard 320-acre gas spacing and proration unit in the Northwest Austin-Mississippian Gas Pool. The applicant proposes to utilize its existing Duncan Unit Well No. 3 located 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 26 by kicking-off from vertical in a northeasterly direction, build angle to approximately 90 degrees, and drill horizontally in the Northwest Austin-Mississippian Gas Pool for approximately 1000 to 1200 feet. Applicant further requests that special operating provisions be established for said project area including the designation of a prescribed area limiting the horizontal extent of the wellbore such that it can be no closer than 1980 feet from the end boundaries nor closer than 660 feet from the side boundaries of said spacing unit. Said project area is located approximately 4 miles west-northwest of McDonald, New Mexico.

~~XXXX-XXXX~~ (Continued from April 4, 1990, Examiner Hearing.)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the SE/4 SW/4 and SE/4 of Section 5 and the NE/4 NE/4 and NE/4 NW/4 of Section 8, all in Township 20 South, Range 37 East, forming a non-standard 280-acre gas spacing and proration unit for said pool. The applicant proposes to dedicate all production from the Eumont Gas Pool to the existing Britt-Laughlin Com. Well No. 5 (formerly the Oxy USA, Inc. Laughlin "8" Well No. 5) located 330 feet from the South line and 2310 feet from the East line (Unit 0) of said Section 5 and to the existing Britt-Laughlin Com. Well No. 1 (formerly the Britt "B-8" Well No. 1) located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 8 and to a third well to be drilled at an undetermined location in the SE/4 of said Section 5. Applicant further seeks to be designated operator of the non-standard gas proration unit so created and be entitled to recover out of the production therefrom his costs of drilling, completing and equipping a new infill well, plus a 200% risk factor for drilling, completing and equipping such new infill well, and an equitable and proper percentage of the value of the existing wellbores of applicant's Britt-Laughlin Com. Well Nos. 1 and 5, and all costs of supervision and operation of such non-standard gas proration unit, and that such order also provide for any other relief which may be deemed equitable and proper. The subject area is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9936: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, contracting, and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the South Acme-San Andres Pool. The discovery well is the Yates Petroleum Corporation Cactus Flower State Unit Well No. 2 in Unit F of Section 19, Township 8 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM
Section 19: E/2
Section 30: NW/4

- (b) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Atoka production and designated as the Otterback Ranch-Atoka Gas Pool. The discovery well is the Foran Oil Company State ET Well No. 1 located in Unit C of Section 36, Township 15 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 36: W/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Pierce Crossing-Bone Spring Pool. The discovery well is the Quinoco Petroleum Inc. Queen Lake 20 Fed. Well No. 1 located in Unit E of Section 20, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 20: NW/4

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Russell-Wolfcamp Gas Pool. The discovery well is the Petroleum Corporation of Delaware Superior Fed. Well No. 5 located in Unit K of Section 5, Township 20 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM
Section 5: W/2

- (e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the West Scanlon Draw-Wolfcamp Pool. The discovery well is the Pennzoil Exploration Winchester Fed. Well No. 1 located in Unit H of Section 4, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 4: NE/4

- (f) ABOLISH the Rabbit Flats-PrePermian Gas Pool in Chaves County, New Mexico, consisting of the following described acreage:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 36: W/2

- CASE 9931: Application of Arco Oil & Gas Company for pressure maintenance expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Empire-Abo Unit Pressure Maintenance Project, authorized by Division Order No. R-4549, as amended, by converting its Empire Abo Unit "J" Well No. 10, located 2310 feet from the North and West lines (Unit F) of Section 3 and Empire Abo Unit "J" Well No. 13, located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 2, both in Township 18 South, Range 27 East, Empire-Abo Pool, Empire Abo Unit Area, from producing oil wells to gas injection wells. Both wells are located in an area approximately 4.25 miles south-southeast of Riverside, New Mexico.
- CASE 9932: 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 Strawn formation underlying the SE/4 NW/4 (Unit F) of Section 33, Township 16 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for said formation. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles northeast by north of Humble City, New Mexico.
- CASE 9918: (Continued from April 18, 1990, Examiner Hearing.)
- Application of Mesa Operating Limited Partnership 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 S/2 NE/4 and the SE/4 (E/2 equivalent) of Section 2, Township 29 North, Range 9 West, forming a standard 320.60-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1.5 miles east of Turley, New Mexico.
- CASE 9919: (Continued from April 18, 1990, Examiner Hearing.)
- Application of Mesa Operating Limited Partnership 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, 2, 7, 8, 9, 10, 15 and 16 (E/2 equivalent) of Section 33, Township 30 North, Range 10 West, forming a standard 317.04-acre gas spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 4.5 miles northwest of Blanco, New Mexico.
- CASE 9933: Application of Amerind Oil Company Limited Partnership for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Shipp-Strawn Pool underlying the W/2 SE/4 of Section 5, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 5.5 miles northwest of Humble City, New Mexico.
- CASE 9934: Application of Amerind Oil Company Limited Partnership for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Shipp-Strawn Pool underlying the E/2 SW/4 of Section 35, Township 16 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at an unorthodox oil well location 1300 feet from the South line and 1750 feet from the West line (Unit N) 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 5.5 miles north by west of Humble City, New Mexico.
- CASE 9907: (Readvertised)
- Application of Enron Oil & Gas Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the following described acreage in Section 1, Township 24 South, Range 28 East, and in the following described manner: Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) to form a 319.36-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 either the Undesignated South Culebra Bluff-Atoka Gas Pool or Undesignated Malaga-Atoka Gas Pool); Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) to form a 159.52-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within said vertical extent; Lot 3 and the SE/4 NW/4 (E/2 NW/4 equivalent) to form a 79.80-acre oil spacing and proration unit for the Undesignated South Culebra Bluff-Bone Spring Pool which is developed on 80-acre spacing; and Lot 3 (NE/4 NW/4 equivalent) to form a 39.80-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing (which presently includes but is not necessarily limited to either the Undesignated Malaga-Delaware Pool or Undesignated North Malaga-Delaware Pool). Said units are to be dedicated to a single well to be drilled 660 feet from the North line and 1680 feet from the West line (Unit L) of said Section 1, which is a standard location for zones spaced on 160 or 40

CASE 9911: (Continued from May 2, 1990, Examiner Hearing.)

Application of Union Oil Company of California for a highly deviated directional drilling pilot project and unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a highly deviated directional drilling pilot project in the N/2 of Section 20, Township 27 North, Range 6 West, forming a standard 320-acre gas spacing unit in the Basin-Fruitland Coal Gas Pool by commencing its Rincon Unit Well No. 254 at a standard surface location 1581 feet from the North line and 1929 feet from the East line (Unit G) of said Section 20 and drilling to a true vertical depth of approximately 2250 feet and then commencing a medium radius curve in a westerly direction to encounter the top of the Basin-Fruitland Coal Gas Pool at a true vertical depth of approximately 2920 feet at which point the wellbore will be drilled to the base of the Basin-Fruitland Coal Gas Pool at a true vertical depth of approximately 3040 feet and then to a total depth at a true vertical depth of approximately 3100 feet with a terminus at an unorthodox bottomhole location in the NW/4 of Section 20; however, said wellbore will be no closer than 790 feet from the outer boundary of the spacing or proration unit. This unit is located approximately 10 miles south-southwest of Gobernador, New Mexico.

CASE 9930: (Continued from May 2, 1990, Examiner Hearing.)

Application of Union Oil Company of California to amend Division Order No. R-6375, as amended, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-6375, as amended, which authorized downhole commingling of Basin-Dakota and Largo-Gallup production within the Rincon Unit Well No. 164 located 1840 feet from the South line and 1090 feet from the West line (Unit L) of Section 2, Township 26 North, Range 7 West, by reviewing and re-establishing, if necessary, the allocation of production that was set forth by the provisions of said order. The subject well is located approximately 2 miles north-northeast of the El Paso Natural Gas Company Largo Station.

CASE 9907: (Readvertised) (Continued from May 2, 1990, Examiner Hearing.)

Application of Enron Oil & Gas Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the following described acreage in Section 1, Township 24 South, Range 28 East, and in the following described manner: Lots 1, 2, 3, and 4 and the S/2 N/2 (N/2 equivalent) to form a 319.36-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 either the Undesignated South Culebra Bluff-Atoka Gas Pool or Undesignated Malaga-Atoka Gas Pool); Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) to form a 159.52-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within said vertical extent; Lot 3 and the SE/4 NW/4 (E/2 NW/4 equivalent) to form a 79.80-acre oil spacing and proration unit for the Undesignated South Culebra Bluff-Bone Spring Pool which is developed on 80-acre spacing; and Lot 3 (NE/4 NW/4 equivalent) to form a 39.80-acre oil spacing and proration unit for any and all formations and/or pools developed on statewide 40-acre oil spacing (which presently includes but is not necessarily limited to either the Undesignated Malaga-Delaware Pool or Undesignated North Malaga-Delaware Pool). Said units are to be dedicated to a single well to be drilled 660 feet from the North line and 1680 feet from the West line (Unit L) of said Section 1, which is a standard location for zones spaced on 160 or 40 acres, however is unorthodox for zones spaced on 320 or 80 acres. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1 mile west of Harroun, New Mexico.

CASE 9898: (Continued from May 2, 1990, Examiner Hearing.)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the SE/4 SW/4 and SE/4 of Section 5 and the NE/4 NE/4 and NE/4 NW/4 of Section 8, all in Township 20 South, Range 37 East, forming a non-standard 280-acre gas spacing and proration unit for said pool. The applicant proposes to dedicate all production from the Eumont Gas Pool to the existing Britt-Laughlin Com. Well No. 5 (formerly the Oxy USA, Inc. Laughlin "8" Well No. 5) located 330 feet from the South line and 2310 feet from the East line (Unit O) of said Section 5 and to the existing Britt-Laughlin Com. Well No. 1 (formerly the Britt "8-8" Well No. 1) located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 8 and to a third well to be drilled at an undetermined location in the SE/4 of said Section 5. Applicant further seeks to be designated operator of the non-standard gas proration unit so created and be entitled to recover out of the production therefrom his costs of drilling, completing and equipping a new infill well, plus a 200% risk factor for drilling, completing and equipping such new infill well, and an equitable and proper percentage of the value of the existing wellbores of applicant's Britt-Laughlin Com. Well Nos. 1 and 5, and all costs of supervision and operation of such non-standard gas proration unit, and that such order also provide for any other relief which may be deemed equitable and proper. The subject area is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9854: (Reopened) (Readvertised)

In the matter of Case 9854 being reopened pursuant to the provisions of Division Order No. R-9131 which order promulgated temporary special rules and regulations including a provision for 160-acre spacing in the Diablo-Fusselman Pool, Chaves County, New Mexico. Operators in the subject pool may appear and present evidence, testimony and recommendations regarding the proper spacing and most efficient rate of production for the Diablo-Fusselman Pool. The applicant in the original case, Stevens Operating Corporation, also seeks at this time to include within the Special Rules and Regulations for the Diablo-Fusselman Pool provisions for administrative approval of horizontal/high-angle wellbores and to allow the formation of oversized proration units to accommodate such wellbores.

DOCKET: COMMISSION HEARING - THURSDAY - MAY 24, 1990

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

CASE 9944: In the matter of the application of the Oil Conservation Division on its own motion for an order amending Rule 0.1 by amending and adding certain definitions and repealing existing Rules 201, 202, 203, and 204 and adopting new Rules 201, 202, 203, and 204 of the General Rules and Regulations of the Oil Conservation Division. Said changes all pertain to the temporary abandonment, plugging, inactive status and shut-in status of wells.

CASE 9018: (Reopened and Readvertised.)

In the matter of Case 9018 being reopened pursuant to the provisions of Division Order No. R-8170-D, which Order amended Rule 111(b) of Order R-8170-A, in order to take evidence on the following:

1. Whether larger overproduction limit in Northwest New Mexico established by Rule 11(b) as amended by Order R-8170-A is beneficial in preventing waste, and protecting correlative rights, while making the supply of gas available to meet interstate and intrastate demand.
2. The reasons for pools being underproduced when many wells are overproduced and whether or not the amendment has any affect on that issue.
3. Any transition mechanism which should be adopted if the Commission determines that a return to the 6 times overproduced limit is appropriate.

CASE 9854: (De Novo)

Application of Stevens Operating Corporation for pool creation and special pool rules, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation and special pool rules, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Fusselman formation comprising the S/2 of Section 21 and the N/2 of Section 28, Township 10 South, Range 27 East, and for the promulgation of special rules and regulations therefor including provisions for 320-acre oil spacing and proration units, designated well location requirements, a special gas-oil ratio limitation of 20,000 cubic feet of gas per barrel of oil, and a special 320-acre oil allowable of 650 barrels per day. Said area is located at Mile Post No. 174 on U.S. Highway 380. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9797: (De Novo)

Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling 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 Morrow formation underlying Lots 1 through 7 and the NW/4 NE/4 (N/2 equivalent) of Section 20, Township 23 South, Range 25 East, forming a non-standard 301.37-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within said vertical extent, said unit to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant an operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6 miles south by east of Riverside, New Mexico. Upon application of Exxon Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 9832: (De Novo)

Application of Exxon Company, U.S.A. for compulsory pooling, a non-standard gas proration unit, an unorthodox gas well location, and an exemption to Special Rules and Regulations governing the Rock Tank-Upper and Lower Morrow Gas Pools, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral from the top of the Wolfcamp formation to the base of the Morrow Formation, underlying the NW/4 NE/4 and Lots 1, 6, 7, 8, 9, 14, and 15 (E/2 equivalent) of Section 20, Township 23 South, Range 25 East, forming a non-standard 301.11-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Applicant further seeks to be exempt from the Special Rules and Regulations governing the Rock Tank-Upper and Lower Morrow Gas Pools as promulgated by Division Order No. R-3452, as amended. Said unit is to be dedicated to a well to be drilled at an unorthodox gas well location 600 feet from the North line and 660 feet from the East line (Unit A) of said Section 20. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision and a charge for risk involved in drilling said well. Applicant also seeks to have Santa Fe Energy Operating Partners, L.P. designated as operator of said well. Said unit is located approximately 6 miles south by east of Riverside, New Mexico. Upon application of Exxon Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1200.