

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 southwest of Gubernador, 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 "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 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.

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.

 (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 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.

CASE 9898: (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

Dockets Nos. 12-90 and 13-90 are tentatively set for May 2, 1990 and May 16, 1990. Applications for hearing must be filed at least 22 days in advance of hearing date.

**DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 18, 1990  
8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO**

The following cases will be heard before Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

CASE 9907: Application of Enron Oil & Gas 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 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). 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 9908: Application of BHP Petroleum Company, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Sunfish State Unit Agreement for an area comprising 2235.08 acres, more or less, of State and Fee lands comprising the E/2 of Section 32, Township 9 South, Range 27 East, and all of Sections 5, 7, and 8, Township 10 South, Range 27 East. Said area is located approximately 3 to 4 miles north of Mile Marker No. 173 on U.S. Highway 380.

CASE 9909: Application of Nearburg Producing Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Northwest Lovington-Pennsylvanian Pool underlying the E/2 NW/4 of Section 17, Township 16 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 location in the NE/4 NW/4 (Unit C) of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1.25 miles south of Mile Marker No. 4.5 on old State Highway No. 83.

CASE 9910: Application of Harvey E. Yates Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1650 feet from the South line and 2310 feet from the West line (Unit K) of Section 24, Township 19 South, Range 34 East, to test the Undesignated Lea-Bone Spring Pool, the E/2 SW/4 of said Section 24 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 1/4 mile northwest of Mile Marker No. 82 on U.S. Highway 62/180.

CASE 9903: (Readvertised)

Application of Yates Petroleum Corporation for directional drilling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its proposed Gazelle "AHG" Federal Com. Well No. 1 at a surface location 2280 feet from the North line and 1180 feet from the West line (Unit E) of Section 15, Township 20 South, Range 29 East, wherein the applicant proposes to deviate said well to within 150 feet of the following targeted locations;

1. In the Strawn formation - 1815 feet from the South line and 2145 feet from the East line (Unit J) of said Section 15; wherein either the S/2 (320-acre gas unit) will be dedicated to the wellbore if the completed interval is determined to be within the East Burton Flat-Strawn Gas Pool or the NW/4 SE/4 (40-acre oil unit) would be dedicated if it is determined to be within the South Parkway-Strawn Pool; and,
2. In the Morrow formation - 1468 feet from the South line and 1573 feet from the East line (Unit J) of said Section 15 (which is an unorthodox gas well location), said well to be dedicated to the S/2 of said Section 15 forming a standard 320-acre gas spacing and proration unit for the Undesignated East Burton Flat-Morrow Gas Pool. Said well location is approximately 4 miles northwest of the junction of U.S. Highway 62/180 and New Mexico Highway 31.

CASE 9911: 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 9889: (Continued from March 21, 1990, Examiner Hearing.) (This case will be dismissed.)

Application of Meridian Oil, Inc. for temporary well testing allowable for certain wells in the Parkway-Delaware Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to conduct a special 90-day flow test on selected wells in the Parkway-Delaware Pool located in all or portions of Sections 26, 35, and 36, Township 19 South, Range 29 East, and Section 31, Township 19 South, Range 30 East, for the purpose of gathering data to determine the most efficient producing rate for said pool. This subject area is located approximately 14 miles south by west of Loco Hills, New Mexico.

CASE 9439: (Reopened)

In the matter of Case 9439 being reopened pursuant to the provisions of Division Order No. R-8770 which Order promulgated temporary special pool rules and regulations including a provision for 80-acre spacing and proration units, designated well locations, and a poolwide exception to Division Rule No. 111 allowing for directional drilling or well deviations of more than five degrees in any 500-foot interval in the Vada-Devonian Pool, Lea County, New Mexico. Operators in the subject pool may appear and show cause why the temporary rules for the Vada-Devonian Pool promulgated herein should not be rescinded.

CASE 9912: Application of Conoco Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 2310 feet from the North line and 660 feet from the West line (Unit E) of Section 35, Township 16 South, Range 37 East, to test either the Undesignated Casey-Strawn Pool or Undesignated Shipp-Strawn Pool, the S/2 NW/4 of said Section 35 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for either pool. Said unit is located approximately 5.75 miles north of Humble City, New Mexico.

CASE 9913: Application of Oryx Energy Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1046 feet from the North line and 1273 feet from the West line (Unit D) of Section 9, Township 22 South, Range 34 East, Grama Ridge-Morrow Gas Pool, the W/2 of said Section 9 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said well location is approximately 3 miles west of the San Simon Ranch House.

CASE 9914: Application of Oryx Energy Company for acreage rededication and an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to rededicate acreage for its Grama Ridge-Federal Well No. 1 located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 9, Township 22 South, Range 34 East, Grama Ridge-Morrow Gas Pool, from its present N/2 dedication to an E/2 dedication thereby making the well location unorthodox for this pool. Said unit is approximately 2.5 miles west of the San Simon Ranch House.

CASE 9915: Application of Marathon Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Indian Basin Gas Com Well No. 2 to be drilled 732 feet from the South line and 1173 feet from the West line (Unit M) of Section 23, Township 21 South, Range 23 East, to test both the Indian Basin-Morrow and Indian Basin-Upper Pennsylvanian Gas Pools. All of said Section 23 is to be dedicated to the well forming a standard 640-acre oil spacing and proration unit for both pools. Said well location is approximately 1/2 mile southwest of the Marathon Oil Company Indian Basin Gas Plant.

CASE 9916: Application of Exxon Corporation for an unorthodox oil well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location for its Yates "C" Federal Well No. 36 to be drilled 1305 feet from the North and East lines (Unit A) of Section 31, Township 20 South, Range 28 East, Avalon-Delaware Pool. Said well is to be simultaneously dedicated with the applicant's Yates "C" Federal Well No. 4 located at a standard oil well location 660 feet from the North and East lines of said Section 31 to the existing standard 40-acre oil spacing and proration unit comprising the NE/4 NE/4 of said Section 31 (being located approximately 6 miles north of La Huerta, New Mexico.)

CASE 9917: Application of Stevens & Tull, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Yates formation to the base of the Abo formation underlying the NW/4 SE/4 of Section 23, Township 20 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools within said vertical extent, either developed on 40-acre oil spacing or having special provisions for 40-acre oil units within existing gas pools (which includes Undesignated House-San Andres Pool, Blinbry Oil and Gas Pool, Warren-Tubb Gas Pool, and Undesignated DK-Abo Pool). Said 40-acre tract 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 5 miles south by east of Nadine, New Mexico.

CASE 9870: (Reopened & Readvertised)

Application of Siete Oil & Gas Corporation for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order promoting special pool rules for the Parkway-Bone Spring Pool including a provision for a limiting gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil. Said pool is located in Section 34, Township 19 South, Range 29 East and Sections 2 and 3, Township 20 South, Range 29 East, which is located approximately 5.5 miles north by west of the junction of U.S. Highway 62/180 and old New Mexico State Highway 31. The applicant also requests that said pool rules be made effective retroactive to the date of first production from the applicant's Osage Federal Well No. 13 located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 34.