

**DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 4, 1993**  
**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

Dockets Nos. 34-93 and 35-93 are tentatively set for November 18, 1993 and December 2, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

**CASE 10856:** Application of Hanson Operating Company, Inc., for a high angle/horizontal directional drilling pilot project and for special operating rules therefore, Roosevelt County, New Mexico. Applicant seeks authority to initiate a short-radius high angle/horizontal directional drilling pilot project in the NW/4 SE/4 of Section 17, Township 8 South, Range 37 East, being a standard 40-acre oil spacing and proration unit in the Undesignated North Allison-San Andres Pool. Applicant proposes to utilize its existing Tuxedo Federal Well No. 1 located 1990 feet from the South line and 2004 feet from the East line (Unit J) of said Section 17 by kicking-off from vertical at an approximate depth of 4825 feet, build angle to approximately 90 degrees with a short radius curve and continue with a horizontal drainhole in said pool. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of any drainhole in said project area to within 330 feet of the outer boundary of said 40-acre unit. Said project area is located approximately 9.75 miles south by east of Milnesand, New Mexico.

**CASE 10857:** Application of Phillips Petroleum Company for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location for its Lone Ranger Well No. 21 to be drilled 2260 feet from the South line and 450 feet from the East line and (Unit I) of Section 27, Township 12 South, Range 34 East, West Ranger Lake-Devonian Gas Pool. The E/2 of said Section 27 is to be dedicated to said well forming a standard 320-acre gas spacing unit. Said unit is located approximately 10 miles west of Tatum, New Mexico.

**CASE 10858:** Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located south of Highway 180 some 10 miles northeast of the intersection of Highways 176 and 180 and are approximately 8 miles northeast of Laguna Gatuna, New Mexico.

**CASE 10521: (Reopened)**

In the matter of Case No. 10521 being reopened pursuant to the provisions of Order No. R-8170-L which order promulgated special rules and regulations for the South Blanco-Pictured Cliffs Pool establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony should it become apparent that continuation of a minimum gas allowable will not serve to prevent waste and protect correlative rights. This cause will be continued to a January 1994 docket.

**CASE 10036: (Reopened)**

In the matter of Case No. 10036 being reopened pursuant to the provisions of Order No. R-8170-G which order promulgated special rules and regulations for the Eumont Gas Pool, establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Eumont Gas Pool. This cause will be continued to a January 1994 docket.

**CASE 10859:** Application of Hallwood Petroleum, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the E/2 of Section 33, Township 30 North, Range 12 West. Said unit is to be dedicated to a well to be drilled at a standard location in the E/2 of said Section 33 to test any and all formations to the base of the Pictured Cliffs formation including the Fruitland formation, Basin-Fruitland Coal Gas Pool and the Pictured Cliffs formation, Fulcher Kutz-Pictured Cliffs Gas 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles southeast of Flora Vista, New Mexico.

**CASE 10850:** (Continued from October 21, 1993, Examiner Hearing.)

**Application of Hallwood Petroleum, Inc. for compulsory pooling, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the W/2 of Section 14, Township 29 North, Range 13 West. Said unit is to be dedicated to a well to be drilled at a standard location in the W/2 of said Section 14 to test any and all formations to the base of the Pictured Cliffs formation including the Fruitland formation, Basin-Fruitland Coal Gas Pool and the Pictured Cliffs formation, West Kutz-Pictured Cliffs 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 5 miles south of Berry Park.

**CASE 10851:** (Continued from October 21, 1993, Examiner Hearing.)

**Application of Hallwood Petroleum, Inc. for compulsory pooling, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the S/2 of Section 28, Township 30 North, Range 12 West. Said unit is to be dedicated to a well to be drilled at a standard location in the S/2 of said Section 28 to test any and all formations to the base of the Pictured Cliffs formation including the Fruitland formation, Basin-Fruitland Coal Gas Pool and the Pictured Cliffs formation, Fulcher Kutz-Pictured Cliffs 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1 mile south of Farmington Lake.

**CASE 10860:** **Application of Armstrong Energy Corporation an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks authorization to drill to the Delaware formation, Northeast Lea-Delaware Pool, its Mobil Lea State Well No. 4 at an unorthodox oil well location 1155 feet from the South line and 1770 feet from the West line (Unit N) of Section 2, Township 20 South, Range 34 East. The SE/4 SW/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre spacing and proration unit. Said unit is located approximately 1 mile south of mile marker 80 on U.S. Highway 180/62.

**CASE 10772:** (Continued from October 21, 1993, Examiner Hearing.)

**Application of Barber Oil Inc. for salt water disposal, Eddy County, New Mexico.** Applicant seeks authority to utilize its Stovall-Wood Well No. 5 located 880 feet from the North line and 1580 feet from the West line (Unit C) of Section 20, Township 20 South, Range 30 East, to dispose of produced salt water into the Rustler Lime formation through the perforated interval from approximately 195 feet to 255 feet. Said well is located 2 miles northeast of the National Potash Company Mine.

**CASE 10861:** **Application of Collins & Ware, Inc. for a high angle/horizontal directional drilling pilot project and special operating rules therefor, Lea County, New Mexico.** Applicant seeks to initiate a horizontal drilling project in the Devonian formation, Denton-Devonian Pool, underlying the SW/4 NE/4 of Section 35, Township 14 South, Range 37 East. Applicant proposes to re-enter its S. & J. Operating T.D. Pope Well No. 5 which is at an orthodox surface location 1980 feet from the North and East lines (Unit G) of Section 35, kick-off from vertical in a northeasterly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Applicant further seeks the adoption of special operating provisions and rules within the project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 100 feet to any boundary of the proration unit. Said project is located approximately 3 miles southeast of Prairieview.

**CASE 10711:** (Continued from October 7, 1993, Examiner Hearing.)

**Application of Yates Petroleum Corporation for approval of a waterflood project and qualification for the recovered oil tax rate, Eddy County, New Mexico.** Applicant seeks approval of its Creek AL Lease Waterflood Project by injection of water into the Shugart, Penrose and Middle Grayburg formations through 108 injection wells located in Township 18 South, Range 30 East as follows: Section 23: E/2 SE/4; Section 24: S/2, S/2 and NW/4 SW/4; Section 25: NW/4 and E/2 NE/4. The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations. Applicant further seeks to qualify this project for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Said area of interest is located approximately 1 mile east of Walters Lake, New Mexico.

**CASE 10862:** Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks authorization to drill to the Morrow formation, Crooked Creek Morrow Gas Pool, its Redbone BP Federal Well No. 2 at an unorthodox gas well location 1980 feet from the North line and 510 feet from the East line (Unit H) of Section 10, Township 24 South, Range 24 East. The N/2 of said Section 10 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 4 miles west by southwest of Mosley Spring.

**CASE 10863:** Application of Yates Petroleum Corporation for a horizontal directional drilling pilot project and special operating rules therefor, Chaves County, New Mexico. Applicant seeks authority to institute a horizontal directional drilling pilot project in the Tomahawk-San Andres Pool on its Loveless LQ State Lease in the SW/4 of Section 36, Township 7 South, Range 31 East. Applicant proposes to drill its Loveless LQ State Well No. 9 at a surface location 990 feet from the South line and 2310 feet from the West line (Unit N); kicking off from vertical, build angle to approximately 90 degrees with a medium radius curve and continue drilling a horizontal drainhole in said pool. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of any drainhole to within 100 feet of the boundary of the project area. Further, the applicant seeks the promulgation of special operating rules and procedures for said project area including the formation of an oversized and irregular shaped spacing and proration unit to accommodate such wellbore, and the assignment of a special oil allowable to this unit. Said project area is located approximately 12 miles south by east of Kenna, New Mexico.

**CASE 10748:** (Reopened)

In the matter of Case No. 10748 being reopened upon application of Yates Petroleum Corporation to amend the spacing requirements for the Indian Basin-Upper Pennsylvanian Associated Pool established by Order No. R-9922, Eddy County, New Mexico. Division Order No. R-9922 granted the application of Yates Petroleum Corporation for creation of the Indian Basin-Upper Pennsylvanian Associated Pool and the adoption of temporary Special Rules and Regulations therefor including 320-acre spacing. At this time Yates Petroleum Corporation requests the Division to amend the Special Rules and Regulations for said pool to provide for 160-acre spacing and proration units. Said area is located approximately 2 miles east of Lone Butte.

**CASE 10864:** Application of Texaco Exploration and Production Inc. for nine lease line injection wells, Rhodes Yates Waterflood, Lea County, New Mexico. Applicant seeks authority to drill the following nine lease line injection wells in its Rhodes Yates Cooperative Waterflood for injection into the Yates and Seven Rivers formations, Rhodes Yates-Seven Rivers Pool, in the following wells in Township 26 South, Range 37 East:

Rhodes NCT Coop Fed. Com-1 No. 1, to be located 1572 feet FSL, 2375 feet FEL of Section 27;  
Rhodes NCT Coop Fed. Com-1 No. 2, to be located 2310 feet FNL and FEL of Section 27;  
Rhodes NCT Coop Fed. Com-1 No. 3, to be located 1155 feet FNL, 2376 feet FEL of Section 27;  
Rhodes Yates Coop Fed. Com-2 No. 1, to be located 2551 feet FNL, 44 feet FWL of Section 27;  
Rhodes Yates Coop Fed. Com-3 No. 1, to be located 1360 feet FSL, 50 feet FWL of Section 27;  
Rhodes Yates Coop Fed. Com-4 No. 1, to be located 1430 feet FSL, 10 feet FEL of Section 21;  
Rhodes Yates Coop Fed. Com-5 No. 1, to be located 130 feet FNL, 10 feet FWL of Section 27;  
Rhodes Yates Coop Fed. Com-4 No. 2, to be located 130 feet FNL, 1310 feet FWL of Section 27;  
Rhodes Yates Coop Fed. Com-6 No. 1, to be located 130 feet FNL, 2588 feet FWL of Section 27.

This project is located approximately 6 miles south by southeast of Jal, New Mexico.

**CASE 10848:** (Continued from October 21, 1993, Examiner Hearing.)

Application of Conoco Inc. and Marathon Oil Company for exceptions to Rule 5(b) of the special rules and regulations of the South Dagger Draw-Upper Pennsylvanian Pool as promulgated by Division Order No. R-5353, as amended, or in the alternative, for the creation of a new pool with the adoption of special rules for said pool, Eddy County, New Mexico. Applicants seek exceptions to Rule 5(b) of the Special Rules and Regulations for the South Dagger Draw-Upper Pennsylvanian Pool as promulgated by Order No. R-5353 as amended, thereby authorizing simultaneous dedication of acreage to both gas wells and oil wells within Sections 34, 35, and 36, Township 20 South, Range 24 East and Sections 34, 35, and 36, Township 20-1/2 South, Range 23 East. In the alternative, applicants seek the contraction of the South Dagger Draw-Upper Pennsylvanian Pool and the concomitant creation of a new pool comprising the above-described acreage with the adoption of special rules and regulations including those set forth in Order No. R-5353 but modified to allow simultaneous dedication of spacing units to multiple gas and oil wells and establishment of appropriate allowables therefor. Said area is located approximately 22 miles southeast of Hope, New Mexico.

**DOCKET: COMMISSION HEARING - THURSDAY - NOVEMBER 10, 1993**  
**9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO**  
**The Land Commissioner's designee for this hearing will be Jami Bailey and Gary Carlson**

**CASES 10446,**  
**10447, 10448,**  
**10449:**

The application for the rehearing of Cases 10446, 10447, 10448, and 10449 is hereby set for oral argument before the Oil Conservation Commission on November 10, 1993. The Commission shall hear argument based upon the record made in this case. Argument shall be limited to the issues raised in the applications for rehearing filed by New Mexico Potash. No additional evidence will be offered or accepted. Based upon that argument the Commission may determine if additional evidence is necessary.

**CASE 10712:** (De Novo - Continued from October 14, 1993, Commission Hearing).

**Application of Anadarko Petroleum Corporation for directional drilling and an unorthodox bottomhole gas well location, Eddy County, New Mexico.** Applicant seeks authority to directionally drill its proposed Power Federal Com Well No. 2 from a surface location 1400 feet from the South line and 660 feet from the East line (Unit I) of Section 26, Township 17 South, Range 30 East, in such a manner as to bottom the well in the Cedar Lake-Morrow Gas Pool at an unorthodox subsurface gas well location within 75 feet of a point 660 feet from the South and East lines (Unit P) of said Section 26. The E/2 of said Section 26 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 3 miles east-southeast of Loco Hills, New Mexico. Upon application of Anadarko Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 10771:** (De Novo)

**Application of OXY USA Inc. to authorize the expansion of a portion of its Skelly Penrose "B" Unit Waterflood Project and qualify said expansion for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act," Lea County, New Mexico.** Applicant seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovery Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying a portion of its Skelly Penrose "B" Unit Waterflood Project in Sections 4, 5, and 8 of Township 23 South, Range 37 East, Queen (Penrose) formation of the Langlie Matix Seven Rivers-Queen-Grayburg Pool, for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Applicant further seeks authority to expand a portion of said project by means of a significant change in process including conversion to 40-acre five spot injection patterns. Said project area is located approximately 6 miles south of Eunice, New Mexico. Upon application of OXY USA Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 10653:** (Continued from October 14, 1993, Commission Hearing.)

**Application of Armstrong Energy Corporation for special pool rules, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the Northeast Lea-Delaware Pool including a provision for a special oil allowable of 300 barrels of oil per day. Said pool is located in portions of Townships 19 and 20 South, Range 34 East, located near the Warren Gas Company Compressor Station.

**CASE 10773:** (Continued from October 14, 1993, Commission Hearing.)

**Application of Armstrong Energy Corporation for pool extension and abolishment, Lea County, New Mexico.** Applicant, in the above-styled cause, and in association with De Novo Case No. 10653, seeks to abolish the Quail Ridge-Delaware Pool comprising the SW/4 of Section 3, SE/4 of Section 4, NE/4 of Section 9, N/2 and SW/4 of Section 10, all in Township 20 South, Range 34 East and the concomitant extension of the horizontal limits of the Northeast Lea-Delaware Pool to include all of above-described acreage plus the SE/4 of said Section 3. This area is centered approximately 1.5 miles south of U.S. Highway 62/180 at Milemarker No. 79.

**CASE 10345:** (De Novo - Continued from September 22, 1993, Commission Hearing.)

**Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico.** Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #390 to determine the reasonableness of such costs pursuant to the provisions of Commission Order No. R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

**CASE 10346:** (De Novo - Continued from September 22, 1993, Commission Hearing.)

**Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico.** Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #391 to determine the reasonableness of such costs pursuant to the provisions of Commission Order No. R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

**DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 6, 1994**  
**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

Dockets Nos. 3-94 and 4-94 are tentatively set for January 20, 1994 and February 3, 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 10812:** (Continued from October 21, 1993, Examiner Hearing.)

Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal Gas Pool, underlying the N/2 of Section 33, Township 26 North, Range 11 West, 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 only the Basin Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon in 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 the operator of the well, and a charge for risk involved in drilling said well. Said unit is located near the Huerfano Boarding School.

**CASE 10888:** (Continued from December 16, 1993, Examiner Hearing.)

Application of Merriam Oil & Gas Corporation for compulsory pooling and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin Dakota Pool underlying Lots 1 through 8 (N/2 equivalent) of Section 24, Township 27 North, Range 7 West, being a non-standard 352.07 acre gas spacing and proration unit presently dedicated to a well located 1720 feet from the North line and 1000 feet from the East line (Unit H) of said Section 24. The applicant proposes to drill an infill well at a standard gas well location in Lot 3 (NE/4 NW/4 equivalent) of said Section 24 in which said unit is also to be simultaneously dedicated. Also to be considered will be the cost of drilling and completing said infill well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said infill well. Said area is located approximately 20 miles southeast by east of Blanco, New Mexico.

**CASE 10890:** Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks authority to drill its Kachina 5 Fed. Well No. 7 at an unorthodox oil well location 2130 feet from the North line and 990 feet from the West line (Unit E) of Section 5, Township 18 South, Range 33 East, to test the Wolfcamp formation (South Corbin-Wolfcamp Pool). The S/2 NW/4 of said Section 5 is to be dedicated to said well. Said well is located approximately 5 1/2 miles southeast of Maljamar, New Mexico.

**CASE 10829:** (Readvertised - Continued from December 2, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Lea 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 areas in Section 32, Township 18 South, Range 34 East, and in the following manner: the S/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the W/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, including the EK-Bone Spring Pool; and the NW/4 SE/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit is to be dedicated to the applicant's Larica 32 St. Well No. 1, to be drilled at an orthodox location within said S/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles west of the intersection of State Highway 529 and 8.

**CASE 10870:** (Continued from December 16, 1993, Examiner Hearing.)

Application of Pogo Producing Company for special pool rules for the Los Medanos-Delaware and West Sand Dunes-Delaware Pools, Eddy County, New Mexico. Applicant seeks the promulgation of special pool rules for both the Los Medanos-Delaware and West Sand Dunes-Delaware Pools including a provision for a gas-oil ratio limitation of 8,000 cubic feet of gas per barrel of oil. The Los Medanos-Delaware Pool covers all or parts of Sections 9, 16, and 17 and the West Sand Dunes-Delaware Pool covers all or parts of Sections 20, 21, 28, 29, 32, and 33, all in Township 23 South, Range 31 East. Said area is located approximately at mile marker 15 on State Highway 128.

**CASE 10856:** (Continued from December 16, 1993, Examiner Hearing.)

Application of Hanson Operating Company, Inc., for a high angle/horizontal directional drilling pilot project and for special operating rules therefore, Roosevelt County, New Mexico. Applicant seeks authority to initiate a short-radius high angle/horizontal directional drilling pilot project in the NW/4 SE/4 of Section 17, Township 8 South, Range 37 East, being a standard 40-acre oil spacing and proration unit in the Undesignated North Allison-San Andres Pool. Applicant proposes to utilize its existing Tuxedo Federal Well No. 1 located 1990 feet from the South line and 2004 feet from the East line (Unit J) of said Section 17 by kicking-off from vertical at an approximate depth of 4825 feet, build angle to approximately 90 degrees with a short radius curve and continue with a horizontal drainhole in said pool. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of any drainhole in said project area to within 330 feet of the outer boundary of said 40-acre unit. Said project area is located approximately 9.75 miles south by east of Milnesand, New Mexico.

**CASE 10839:** (Readvertised)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 28, Township 18 South, Range 34 East, forming a standard 640-acre gas spacing and proration unit for any Morrow Pools within said vertical extent which presently includes the Undesignated West La Rica-Morrow Gas Pool. Said unit is to be dedicated to its Ekay 28 State Well No. 1, to be drilled at an orthodox location within Unit J, 1980 feet from the South and East lines of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 12 miles southeast of Maljamar, New Mexico.

**CASE 10891:** Application of Southland Royalty Company for approval of a waterflood project and qualification for the recovered oil tax rate, Lea County, New Mexico. Applicant seeks authority to institute its State "DS" Leasehold Waterflood Project by the injection of water into the San Andres formation, Spencer-San Andres Pool, a new project area consisting of 280 acres, more or less, being the SW/4, W/2 SE/4, and SE/4 SE/4 of Section 24, Township 17 South, Range 36 East. The applicant further seeks to qualify this project for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is centered approximately 5 1/2 miles northwest of Humble city, New Mexico.

**CASE 10858:** (Readvertised - Continued from December 2, 1993, Examiner Hearing.)

Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located north of Highway 180 some 4.75 miles northeast of the intersection of Highways 176 and 180 and are approximately 2.75 miles northeast of Laguna Gatuna, New Mexico.

**CASE 10521:** (Reopened - Continued from November 4, 1993, Examiner Hearing.)

In the matter of Case No. 10521 being reopened pursuant to the provisions of Order No. R-8170-L which order promulgated special rules and regulations for the South Blanco-Pictured Cliffs Pool establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony should it become apparent that continuation of a minimum gas allowable will not serve to prevent waste and protect correlative rights. This cause will be continued to a January 1994 docket.

**CASE 10036:** (Reopened - Continued from November 4, 1993, Examiner Hearing.)

In the matter of Case No. 10036 being reopened pursuant to the provisions of Order No. R-8170-G which order promulgated special rules and regulations for the Eumont Gas Pool, establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Eumont Gas Pool. This cause will be continued to a January 1994 docket.

**CASE 10111:** (Reopened - Continued from December 2, 1993, Examiner Hearing.)

In the matter of Case 10111 being reopened pursuant to the provisions of Division Order No. R-8170-J, as amended, which order established minimum gas allowables in the Jalmat Gas Pool in Lea County. Operators in said pool may appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Jalmat Gas Pool. This case will be continued to the January 6, 1994, hearing.

**CASE 10866:** (Readvertised - Continued from December 16, 1993, Examiner Hearing.)

**Application of OXY USA, Inc. to amend Division Order No. R-2901 and to either institute a new waterflood project or for waterflood expansion, Lea County, New Mexico.** Applicant seeks to renew its authority, originally granted by Division Order No. R-2901, dated May 4, 1965, to inject water into the Eumont (Yates-Seven Rivers-Queen) Gas Pool within a portion of its East Eumont Unit located in Sections 33 and 34, Township 18 South, Range 37 East and in Sections 3, 4, 9, 10, 15 and 16, Township 19 South, Range 37 East, through 21 certain wells to be converted and one to be drilled. That portion of said Unit Area is covered in this application is located approximately 2 miles west of the Hobbs-Lea County, New Mexico.

**CASE 10867:** (Continued from December 16, 1993, Examiner Hearing.)

**Application of OXY USA Inc. for Enhanced Oil Recovery Project Qualification for the recovered oil tax rate for the East Eumont Unit, Lea County, New Mexico.** Applicant seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Project and Certification for the Recovery Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying the north portion of the East Eumont Unit for the Recovered Oil Tax Rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). The portion of the East Eumont Unit to be included in the project area is as follows: Portions of Sections 33 and 34, Township 18 South, Range 37 East; portions of Sections 3, 4, 9, 10, 15, and 16, Township 19 South, Range 37 East. Said project is located south of Hobbs, New Mexico.

**CASE 10882:** (Continued from December 16, 1993, Examiner Hearing.)

**Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico.** Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

**DOCKET: COMMISSION HEARING - THURSDAY - JANUARY 13, 1994**  
**9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO**  
**The Land Commissioner's designee for this hearing will be Jami Bailey and Gary Carlson**

**CASE 10719:** (De Novo - Continued from November 10, 1993, Commission Hearing.)

Application of Anadarko Petroleum Corporation for directional drilling and an unorthodox bottomhole gas well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Power Federal Com Well No. 2 from a surface location 1400 feet from the South line and 660 feet from the East line (Unit I) of Section 26, Township 17 South, Range 30 East, in such a manner as to bottom the well in the Cedar Lake-Morrow Gas Pool at an unorthodox subsurface gas well location within 75 feet of a point 660 feet from the South and East lines (Unit P) of said Section 26. The E/2 of said Section 26 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 3 miles east-southeast of Loco Hills, New Mexico. Upon application of Anadarko Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 10771:** (De Novo - Continued from November 10, 1993, Commission Hearing.)

Application of OXY USA Inc. to authorize the expansion of a portion of its Skelly Penrose "B" Unit Waterflood Project and qualify said expansion for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act," Lea County, New Mexico. Applicant seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovery Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying a portion of its Skelly Penrose "B" Unit Waterflood Project in Sections 4, 5, and 8 of Township 23 South, Range 37 East, Queen (Penrose) formation of the Langlie Mattix Seven Rivers-Queen-Grayburg Pool, for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Applicant further seeks authority to expand a portion of said project by means of a significant change in process including conversion to 40-acre five spot injection patterns. Said project area is located approximately 6 miles south of Eunice, New Mexico. Upon application of OXY USA Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 10345:** (De Novo - Continued from November 10, 1993, Commission Hearing.)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #390 to determine the reasonableness of such costs pursuant to the provisions of Commission Order No. R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

**CASE 10346:** (De Novo - Continued from November 10, 1993, Commission Hearing.)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #391 to determine the reasonableness of such costs pursuant to the provisions of Commission Order No. R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

**CASE 10653:** (Continued from November 10, 1993, Commission Hearing.)

Application of Armstrong Energy Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the Northeast Lea-Delaware Pool including a provision for a special oil allowable of 300 barrels of oil per day. Said pool is located in portions of Townships 19 and 20 South, Range 34 East, located near the Warren Gas Company Compressor Station.

**CASE 10773:** (Continued from November 10, 1993, Commission Hearing.)

Application of Armstrong Energy Corporation for pool extension and abolishment, Lea County, New Mexico. Applicant, in the above-styled cause, and in association with De Novo Case No. 10653, seeks to abolish the Quail Ridge-Delaware Pool comprising the SW/4 of Section 3, SE/4 of Section 4, NE/4 of Section 9, N/2 and SW/4 of Section 10, all in Township 20 South, Range 34 East and the concomitant extension of the horizontal limits of the Northeast Lea-Delaware Pool to include all of above-described acreage plus the SE/4 of said Section 3. This area is centered approximately 1.5 miles south of U.S. Highway 62/180 at Milemarker No. 79.

**CASE 10831:** (DE NOVO)

**Application of Robert L. Bayless for downhole commingling, Rio Arriba County, New Mexico.** Applicant seeks approval to downhole commingle oil production from the Cabresto-Gallup and East Blanco-Pictured Cliffs fields within the wellbore of the Simms Com Well No. 1, located in Unit J of Section 13, Township 30 North, Range 4 West. Said well is located approximately 7.5 miles east of Ojo Encino Trailer School. Upon application of Robert L. Bayless, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 10772:** (DE NOVO)

**Application of Barber Oil Inc. for salt water disposal, Eddy County, New Mexico.** Applicant seeks authority to utilize its Stovall-Wood Well No. 5 located 880 feet from the North line and 1580 feet from the West line (Unit C) of Section 20, Township 20 South, Range 30 East, to dispose of produced salt water into the Rustler Lime formation through the perforated interval from approximately 195 feet to 255 feet. Said well is located 2 miles northeast of the National Potash Company Mine. Upon application of Barber Oil Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 10823:** (DE NOVO)

**Application of Nearburg Producing 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 W/2 of Section 10, Township 22 South, Range 24 East, forming a standard 320-acre oil and gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Indian Basin-Upper Pennsylvanian Associated Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location within said W/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 12 miles west of Carlsbad, New Mexico. Upon application of Nearburg Producing Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 10788:** (DE NOVO)

**Application of Nearburg Producing 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 E/2 of Section 2, Township 22 South, Range 24 East, forming a standard 320-acre oil spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the undesignated South Indian Basin-Upper Pennsylvanian Pool created in Division Case No. 10748. Said unit is to be dedicated to a well to be drilled at an orthodox location within said E/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said well is located near Little Walt Spring.

**CASE 10790:** (DE NOVO)

**Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface through the Morrow formation, underlying the S/2 of Section 2, Township 22 South, Range 24 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 its Androcles "AND" State Com Well No. 1 located 1980 feet from the South and East lines of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said well is located just east of Little Walt Spring. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 17, 1994**  
**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

Dockets Nos. 7-94 and 8-94 are tentatively set for March 3, 1994 and March 17, 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 10812:** (Continued from February 3, 1994, Examiner Hearing.)

Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal Gas Pool, underlying the N/2 of Section 33, Township 26 North, Range 11 West, 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 only the Basin Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon in 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 the operator of the well, and a charge for risk involved in drilling said well. Said unit is located near the Huerfano Boarding School.

**CASE 10908:** Application of Snyder Oil Corporation for downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle Gallup Oil and Basin-Dakota Gas Pool production within the wellbore of its Con Hale Well No. 2-E, located at a previously approved unorthodox oil well location (Division Administrative Order NSL-2402, dated December 22, 1987) 1040 feet from the South line and 884 feet from the West line (Unit M) of Section 15, Township 26 North, Range 8 West, being approximately 6 miles west of the El Paso Natural Gas Company Largo Station.

**CASE 10829:** (Continued from January 20, 1994, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Lea 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 areas in Section 32, Township 18 South, Range 34 East, and in the following manner: the S/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the W/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, including the EK-Bone Spring Pool; and the NW/4 SE/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit is to be dedicated to the applicant's Larica 32 St. Well No. 1, to be drilled at an orthodox location within said S/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles west of the intersection of State Highway 529 and 8.

**CASE 10541:** (Reopened)

In the matter of Case 10541 being reopened pursuant to the provisions of Division Order No. R-9773, as amended, which order promulgated special pool rules and regulations for the East Herradura Bend-Delaware Pool in Eddy County. Operators in said pool may appear and show cause why the special limiting gas-oil ratio for the East Herradura Bend-Delaware Pool should remain in effect.

**CASE 10909:** Application of Klabzuba Oil and Gas for an unorthodox well location, Lea County, New Mexico. Applicant seeks authorization to drill its State Well No 1-36 at an unorthodox location 2403 feet from the North line and 2620 feet from the West line (Unit F) of Section 36, Township 11 South, Range 37 East, Devonian formation, Gladiola-Devonian Pool. The SE/4 NW/4 of said Section 36 should be dedicated to the well. Said area is located approximately 8 miles northeast of Tatum, New Mexico.

**CASE 10910:** Application of Manzano Oil Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of the unorthodox location in the Morrow formation, West Osudo-Morrow Gas Pool, for its Neuhaus Federal Well No 3 to be drilled 660 feet from the South line and 1650 feet from the East line (Unit O) of Section 14, Township 20 South, Range 35 East, the E/2 of said Section 14 is to be dedicated to the well. Applicant further requests approval of the unorthodox location as to all prospective pools or formations including but not limited to the Morrow, spaced on 320 acres. Said well is located approximately 17 miles southwest of Hobbs, New Mexico.

**CASE 10839:** (Continued from January 20, 1994, Examiner Hearing.)

**Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 28, Township 18 South, Range 34 East, forming a standard 640-acre gas spacing and proration unit for any Morrow Pools within said vertical extent which presently includes the Undesignated West La Rica-Morrow Gas Pool. Said unit is to be dedicated to its Ekay 28 State Well No. 1, to be drilled at an orthodox location within Unit J, 1980 feet from the South and East lines of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 12 miles southeast of Maljamar, New Mexico.

**CASE 10911:** **Application of Yates Petroleum Corporation 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 E/2 of Section 31, Township 17 South, Range 27 East. Applicant proposes to reenter the Fasken Exxon AOF Federal Com Well No. 1 located at a standard location 1980 feet from the South and East lines of said Section 31 to test any and all formations to the base of the Morrow, Undesignated Red Lake-Pennsylvanian 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 7 miles east-southeast of Artesia, New Mexico.

**CASE 10912:** **Application of Enron Oil & Gas Company for downhole commingling, Eddy County, New Mexico.** Applicant seeks approval to downhole commingle production from the Morrow formation, West Sand Dunes-Morrow Gas Pool, and Atoka formation, West Sand Dunes-Atoka Gas Pool, within the wellbore of its Pure Gold "B" Federal Well No. 2 located 660 feet from the North line and 1980 feet from the East line of Section 20, Township 23 South, Range 31 East. Said area is located near Mile Marker 14 on State Highway 128.

**CASE 10913:** **Application of Collins & Ware, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the E/2 SW/4 of Section 10, Township 17 South, Range 37 East. Applicant proposes to dedicate the E/2 SW/4 of said Section 10 to its Scarborough Well No. 1 to be drilled at a standard location to test any and all formations to the base of the Strawn formation, Humble City-Strawn 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6 miles northeast of Humble City, New Mexico.

**CASE 10899:** (Continued from February 3, 1994, Examiner Hearing.)

**Application of Matador Petroleum 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 NW/4 SW/4 or in the alternative, the N/2 SW/4 of Section 5, Township 17 South, Range 37 East, forming either a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Lovington-Drinkard Pool, OR IN THE ALTERNATIVE a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the West Knowles-Drinkard Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard oil well location in Unit L 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6 miles southeast of Lovington, New Mexico.

**CASE 10914:** Application of Marathon Oil Company for compulsory pooling, unorthodox well location and a non-standard gas proration and spacing unit, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco formation underlying Section 36, Township 20 1/2 South, Range 23 East, forming either a standard 345.4-acre oil-gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which may presently include but is not necessarily limited to the South Dagger Draw-Upper Pennsylvanian Associated Pool, OR IN THE ALTERNATIVE forming a non-standard 345.4-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, which may presently include but is not necessarily limited to the Indian Basin-Upper Pennsylvanian Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a well location 660 feet from the North line and 1650 feet from the East line of Section 36, said location being unorthodox if dedicated to the Indian Basin Upper Pennsylvanian Gas 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 10 miles southeast of Hope, New Mexico.

**CASE 10915:** Application of Conoco Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an unorthodox producing interval, San Juan County, New Mexico. Applicant seeks authority to initiate a high angle/horizontal directional drilling project in the Basin Fruitland Coal Gas Pool with special operating rules, including the designation of a prescribed area limiting the surface location and the horizontal displacement of the wellbore such that its surface location and producing interval be no closer than 790 feet to the outer boundary of its spacing unit being a standard 320-acre spacing unit consisting of the E/2 of Section 20, Township 29 North, Range 8 West. Said project area is located approximately 5.5 miles southwest of Navajo City, New Mexico.

**CASE 10916:** Application of Conoco Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an unorthodox producing interval, San Juan County, New Mexico. Applicant seeks authority to initiate a high angle/horizontal directional drilling pilot project in the Basin Fruitland Coal Gas Pool with special operating rules, including the designation of a prescribed area limiting the surface location and the horizontal displacement of the wellbore such that its surface location and producing interval be no closer than 790 feet to the outer boundary of its spacing unit being a standard 320-acre spacing unit consisting of the W/2 of Section 23, Township 29 North, Range 8 West. Said project area is located approximately 4 miles southwest of Navajo City, New Mexico.

**CASE 10917:** Application of Conoco Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an unorthodox producing interval, San Juan County, New Mexico. Applicant seeks authority to initiate a high angle/horizontal directional drilling pilot project in the Basin Fruitland Coal Gas Pool with special operating rules, including the designation of a prescribed area limiting the surface location and the horizontal displacement of the wellbore such that its surface location and producing interval be no closer than 790 feet to the outer boundary of its spacing unit being a standard 320-acre spacing unit consisting of the W/2 of Section 18, Township 32 North, Range 11 West. Said project area is located approximately 8 miles northwest of Cedar Hill, New Mexico.

**CASE 10918:** Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle Aztec-Pictured Cliffs Gas Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its: (1) Neudecker Well No. 2, located 1650 feet from the North and East lines (Unit G) of Section 35, Township 29 North, Range 10 West, an existing Pictured Cliffs formation well dedicated to the NE/4 of Section 35 with the E/2 of said Section to be dedicated to coal gas production. Said well is located approximately 3 miles south-southwest from Blanco, New Mexico. (2) Zachry Well No. 11 located 990 feet from the South and West lines (Unit M) of Section 10, Township 28 North, Range 10 West, an existing Pictured Cliffs formation well dedicated to a previously approved non-standard spacing unit consisting of part of Sections 9 and 10 with all of Section 10 to be dedicated to coal gas production. Said well is located approximately 4.5 miles southwest of Blanco, New Mexico. (3) Pierce Federal A Well No. 1 located 990 feet from the North and East lines (Unit A) of Section 34, Township 29 North, Range 10 West, an existing Pictured Cliffs formation well dedicated to the NE/4 of Section 34 with the N/2 of said Section to be dedicated to coal gas production. Said well is located approximately 3 miles southwest of Blanco, New Mexico.

**CASE 10919:** Application of Meridian Oil Inc. for an unorthodox gas well location and downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle Fulcher Kutz-Pictured Cliffs Gas Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its Lodewick Well No. 1, an existing Pictured Cliffs formation well, located 990 feet from the North and West lines, (Unit D) of Section 18, Township 27 North, Range 9 West. Said well would be an "off-pattern" unorthodox coal gas well and would be dedicated to a standard 320-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool being the W/2 of Section 18 and to a standard 160-acre gas spacing unit for the Fulcher Kutz-Pictured Cliffs Gas Pool being the NW/4 of Section 18, located approximately 2 miles northeast of Angels Peak, New Mexico.

**CASE 10920:** Application of Meridian Oil Inc. for downhole commingling and unorthodox gas well locations, San Juan County, New Mexico. Applicant seeks approval to drill its proposed C. M. Morris Well No. 100 at an unorthodox gas location 1340 feet from the North line and 1405 feet from the East line, (Unit G) of Section 10, Township 27 North, Range 10 West and to downhole commingle Fulcher Kutz-Pictured Cliffs Gas Pool production (NE/4 dedication) with the Basin-Fruitland Coal Gas Pool production (E/2 dedication) within the wellbore. Said well is located approximately 2.5 miles northwest of Angels Peak, New Mexico. Applicant also seeks to drill its proposed Huerfano Unit Com Well No. 509 at an unorthodox gas well location 775 feet from the North line and 545 feet from the West line (Unit D) of Section 30, Township 27 North, Range 10 West and to downhole commingle Fulcher Kutz-Pictured Cliffs Gas Pool production (NW/4 dedication) and the Basin-Fruitland Coal Gas Pool production (N/2 dedication) within the wellbore. Said well is located approximately 4.25 miles west-southwest from Angels Peak, New Mexico.

**CASE 10921:** Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant seeks approval to downhole commingle Fulcher Kutz-Pictured Cliffs Gas Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its: (1) Huerfano Unit Well No. 74, located in Unit M of Section 19, Township 27 North, Range 10 West, an existing Pictured Cliffs formation well dedicated to the SW/4 of Section 19 with the W/2 of said Section to be dedicated to coal gas production. (2) West Kutz-Pictured Cliffs Gas Pool and the Basin-Fruitland Coal Gas Pool production within the wellbore of its Huerfano Unit Well No. 18 located in Unit M of Section 32, Township 27 North, Range 10 West, an existing Pictured Cliffs Formation well dedicated to the SW/4 of Section 32 with the S/2 of said Section to be dedicated to coal gas production. Said wells are located approximately 4 miles southwest of Angels Peak, New Mexico.

**CASE 10521:** (Reopened- Continued from January 6, 1994, Examiner Hearing.)

In the matter of Case No. 10521 being reopened pursuant to the provisions of Order No. R-8170-L which order promulgated special rules and regulations for the South Blanco-Pictured Cliffs Pool establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony should it become apparent that continuation of a minimum gas allowable will not serve to prevent waste and protect correlative rights. This cause will be continued to a January 1994 docket.

**CASE 10036:** (Reopened - Continued from January 6, 1994, Examiner Hearing.)

In the matter of Case No. 10036 being reopened pursuant to the provisions of Order No. R-8170-G which order promulgated special rules and regulations for the Eumont Gas Pool, establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Eumont Gas Pool. This cause will be continued to a January 1994 docket.

**CASE 10111:** (Reopened - Continued from January 6, 1994, Examiner Hearing.)

In the matter of Case 10111 being reopened pursuant to the provisions of Division Order No. R-8170-J, as amended, which order established minimum gas allowables in the Jalmat Gas Pool in Lea County. Operators in said pool may appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Jalmat Gas Pool. This case will be continued to the January 6, 1994, hearing.

**CASE 10858:** (Continued from January 20, 1994, Examiner Hearing.)

Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located north of Highway 180 some 4.75 miles northeast of the intersection of Highways 176 and 180 and are approximately 2.75 miles northeast of Laguna Gatuna, New Mexico.