

Dockets Nos. 13-87 and 14-87 are tentatively set for April 22 and May 6, 1987. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 8, 1987

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

- ALLOWABLE:
- (1) Consideration of the allowable production of gas for May, 1987, from fourteen prorated pools in Lea, Eddy, and Chaves Counties, New Mexico.
  - (2) Consideration of the allowable production of gas for May, 1987, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9108: (Continued from March 18, 1987, Examiner Hearing) (This Case will be dismissed.)

Application of Columbus Energy Corporation (formerly Consolidated Oil & Gas, Inc.) contesting the disqualification of an NGPA Section 108 Stripper Well Classification, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination under the stripper well protest procedures, applicable under FERC Regulations (Section 271.805 and 274.206), contesting the disqualification by the gas purchaser of an NGPA Section 108 Stripper Well Classification on its Compass Well No. 1 located 1690 feet from the South line and 1986 feet from the East line (Unit J) of Section 22, Township 31 North, Range 13 West, Basin-Dakota Pool.

CASE 9115: Application of Long Trusts for an unorthodox oil well location and non-standard oil proration unit, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for a well to be drilled 900 feet from the North line and 1650 feet from the East line of Section 3, Township 6 South, Range 33 East, South Peterson-Fusselman Pool, Lots 1 and 2 of said Section 3 to be dedicated to the well forming a non-standard 93.90-acre oil spacing and proration unit for said pool.

CASE 9106: (Continued from March 18, 1987, Examiner Hearing)

Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the SE/4 of Section 5, Township 25 North, Range 2 West, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing to be dedicated to a well to be drilled at a standard 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 operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 9107: (Continued from March 18, 1987, Examiner Hearing)

Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos and Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the E/2 of Section 5, Township 25 North, Range 2 West, forming a standard 320-acre oil spacing and proration unit in both pools to be dedicated to a well to be drilled at a standard 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 operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8963: (Continued from March 18, 1987, Examiner Hearing)

Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the W/2 of Section 16, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard 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.

CASE 8964: (Continued from March 18, 1987, Examiner Hearing)

Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the E/2 of Section 23, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard 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.

CASE 9071: (Continued and Readvertised)

Application of Foran Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the S/2 NW/4 of Section 8, Township 16 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard 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.

CASE 9104: (Continued from March 18, 1987, Examiner Hearing)

Application of Baruch-Foster Corporation for hardship gas well classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Little Jewel Com Well No. 1 located 1980 feet from the North line and 1900 feet from the West line (Unit F) of Section 31, Township 22 South, Range 27 East, South Carlsbad-Morrow and South Carlsbad-Strawn Gas Pools, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 9116: Application of Meridian Oil Inc. for an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to have its Benson "3" Federal Well No. 1 located 760 feet from the North line and 280 feet from the East line (Unit B) of Section 3, Township 19 South, Range 30 East, approved as an unorthodox oil well location pursuant to the Special Rules and Regulations promulgated for the Benson-Strawn (Oil) Pool. IN THE ALTERNATIVE, the applicant seeks to have said well approved as an unorthodox gas well location if Yates Petroleum Corporation's application in Case No. 9109 to reclassify the Benson-Strawn Pool as a gas pool is granted.

CASE 9117: Application of Conoco Inc. for pool creation, special pool rules, discovery allowable and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for the Cherry Canyon formation comprising the S/2 SW/4 of Section 31, Township 23 South, Range 34 East, and the promulgation of temporary special rules and regulations therefor including a provision for 80-acre spacing and proration units and designated well location requirements. Applicant further seeks the assignment of an oil discovery allowable as allowed by Rule 509 of the Division's Central Rules to the discovery well for said pool being its Bell Lake Unit Well No. 11 located at an unorthodox oil well location for the proposed special pool rules 790 feet from the South line and 2265 feet from the West line (Unit N) of said Section 31.

CASE 9095: (Continued from March 4, 1987, Examiner Hearing)

Application of Curtis J. Little for the promulgation of Special Pool Rules for the Ojito Gallup-Dakota Oil Pool or, in the alternative, to abolish the Ojito Gallup-Dakota Oil Pool and to concomitantly expand the West Lindrith Gallup-Dakota Oil Pool, Rio Arriba and Sandoval Counties, New Mexico. Applicant, in the above-styled cause, seeks to establish Special Rules and Regulations for the Ojito Gallup-Dakota Oil Pool including a provision for 160-acre spacing. IN THE ALTERNATIVE, the applicant seeks to abolish said Ojito Gallup-Dakota Oil Pool and to concomitantly expand the horizontal limits of the West Lindrith Gallup-Dakota Oil Pool to include the horizontal extent of the abolished pool plus the E/2 NE/4 of Section 21, Township 25 North, Range 3 West, Rio Arriba County.

CASE 9092: (Continued from March 4, 1987, Examiner Hearing)

Application of Reading & Bates for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the SE/4 of Section 22, Township 25 North, Range 3 West, to form a standard 160-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard 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 operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 9094: (Continued from March 4, 1987, Examiner Hearing)

Application of Reading & Bates for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Ojito Gallup-Dakota Oil Pool underlying the NE/4 NE/4, NW/4 NE/4, SE/4 NE/4 and SW/4 NE/4 of Section 12, Township 25 North, Range 3 West, to form four standard 40-acre oil spacing and proration units to be dedicated to wells to be drilled at standard oil well locations thereon. IN THE ALTERNATIVE, applicant seeks an order pooling all mineral

interests in the Gallup and Dakota formations underlying the NE/4 of said Section 12, to form a standard 160-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard location thereon. both provisions to be in accordance with the Special Pool Rules which are in existence at the time said well is drilled. Also to be considered in either case will be the cost of drilling and completing said well or wells 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 or wells and a charge for risk involved in drilling that well.

CASE 9113:

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

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Strawn production and designated as the Cedar Lake-Strawn Pool. The discovery well is the Southland Royalty Co. Holly 4 Federal Well No. 1 located in Unit N of Section 4, Township 18 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM  
Section 4: SW/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Cotton Draw-Bone Spring Pool. The discovery well is the Texaco Producing, Inc. Todd 2 State Well No. 1 located in Unit F of Section 2, Township 24 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM  
Section 2: NW/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Esperanza-Wolfcamp Pool. The discovery well is the TXO Production Corporation Delta Fee Well No. 1 located in Unit C of Section 12 Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 12: NW/4

- (d) ABOLISH the Cave-Seven Rivers Pool in Eddy County, New Mexico, in order that the productive acreage may be included in the Grayburg Jackson-Queen-Grayburg-San Andres Seven Rivers Pool in Eddy County, New Mexico.

- (e) EXTEND the East Carlsbad-Wolfcamp Gas pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM  
Section 12: W/2

- (f) EXTEND the Cedar Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 29, EAST, NMPM  
Section 2: W/2  
Section 3: S/2

- (g) EXTEND the Diablo-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM  
Section 28: SE/4

- (h) EXTEND the East Empire Yates-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 28: NW/4 SE/4

- (i) EXTEND the Northwest Fenton-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 1: SE/4

- (j) EXTEND the Grayburg Jackson-Queen-Grayburg-San Andres-Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM  
Section 7: SE/4

- (k) EXTEND the Malaga-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM  
Section 7: SE/4

- (l) EXTEND the McMillan-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM  
Section 16: E/2

- (m) EXTEND the East Fed Lake Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 24: SE/4

- (n) EXTEND the North Ross Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM  
Section 14: SW/4

- (o) EXTEND the Saladar-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM  
Section 29: S/2

- (p) EXTEND the North Sand Dunes-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM  
Section 1: S/2

- (q) EXTEND the Turkey Track-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM  
Section 16: S/2

Dockets Nos. 12-87 and 13-87 are tentatively set for April 8 and 22, 1987. Applications for hearing must be filed at least 12 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 18, 1987

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

CASE 8798: (Reopened and Readvertised)

In the matter of Case 8798 being reopened pursuant to the provisions of Order No. R-8182, which order promulgated temporary special rules and regulations for the West Casey-Strawn Pool in Lea County, including a provision for 80-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 9104: Application of Baruch-Foster Corporation for hardship gas well classification, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Little Jewel Com Well No. 1 located 1980 feet from the North line and 1900 feet from the West line (Unit F) of Section 31, Township 22 South, Range 27 East, South Carlsbad-Morrow and South Carlsbad-Strawn Gas Pools, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 9103: (Continued from March 4, 1987, Examiner Hearing)

Application of National Cooperative Refinery Association for hardship gas well classification, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination that its Federal 11-0-34 Well No. 1 located 1980 feet from the North line and 2130 feet from the West line (Unit F) of Section 11, Township 20 South, Range 34 East, Lea-Pennsylvanian Gas Pool, is a hardship gas well which should be granted priority access to pipeline takes in order to avoid waste.

CASE 9086: (Continued from March 4, 1987, Examiner Hearing)

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from a depth of 3595 feet to 9500 feet underlying the NE/4 SW/4 and SE/4 NW/4 of Section 12, Township 18 South, Range 31 East, forming two standard 40-acre oil spacing and proration units to be dedicated to wells to be drilled at standard oil well locations thereon. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling that well.

CASE 9105: Application of Sage Energy Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location for a well to be drilled 560 feet from the South line and 1100 feet from the West line of Section 29, Township 14 South, Range 34 East, West Tres Papalotes-Pennsylvanian Pool, the SW/4 of said Section 29 to be dedicated to the well forming a standard 160-acre oil spacing and proration unit for said pool.

CASE 9106: Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the SE/4 of Section 5, Township 25 North, Range 2 West, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing to be dedicated to a well to be drilled at a standard 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 operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 9107: Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos and Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the E/2 of Section 5, Township 25 North, Range 2 West, forming a standard 320-acre oil spacing and proration unit in both pools to be dedicated to a well to be drilled at a standard 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 operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8963: (Reopened)

Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the W/2 of Section 16, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard 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.

CASE 8964: (Reopened)

Application of Mesa Grande Resources, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Gavilan-Mancos and Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the E/2 of Section 23, Township 25 North, Range 2 West, to be dedicated to a well to be drilled at a standard 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.

CASE 9108: Application of Columbus Energy Corporation (formerly Consolidated Oil & Gas, Inc.) contesting the disqualification of an NGPA Section 108 Stripper Well Classification, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a determination under the stripper well protest procedures, applicable under FERC Regulations (Sections 271.805 and 274.206), contesting the disqualification by the gas purchaser of an NGPA Section 108 Stripper Well Classification on its Compass Well No. 1 located 1690 feet from the South line and 1986 feet from the East line (Unit J) of Section 22, Township 31 North, Range 13 West, Basin-Dakota Pool.

CASE 9109: Application of Yates Petroleum Corporation for pool reclassification or, in the alternative, the amendment of Division Order No. R-6129-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the reclassification of the Benson-Strawn (Oil) Pool to a gas pool. IN THE ALTERNATIVE, the applicant seeks to amend the Special Rules and Regulations for the Benson-Strawn Pool, as promulgated by Division Order No. R-6129-A, to provide for permanent changes in the depth bracket allowable and gas-oil ratio limitation provisions for said pool, said amendments to be made effective as of January 1, 1985.

CASE 9110: Application of Meridian Oil Inc. to amend Division Order No. R-6129-A, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks to amend the special rules and regulations for the Benson-Strawn Pool as promulgated by Division Order No. R-6129-A to provide for temporary changes in the depth bracket allowable and gas-oil ratio limitation provisions for said pool.

CASE 9089: (Readvertised)

Application of David Petroleum Company for compulsory pooling, unorthodox oil well location, and the rescission of Division Order No. R-8398, Lea County, New Mexico. Division Order No. R-8398, dated February 18, 1987 force pooled all mineral interests from the surface to the base of the Atoka formation underlying the NW/4 NE/4 and N/2 NE/4 of Section 14, Township 17 South, Range 37 East, both units to be dedicated to a well to be drilled at a standard location, and designated Yates Petroleum Corporation as operator. Applicant, in the above-styled cause, seeks to have said Order No. R-8398 rescinded. Applicant further seeks an order pooling all mineral interests from the surface to the base of the Undesignated Humble City-Atoka Pool underlying the N/2 NE/4 of said Section 14 to form an 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits which are being developed on 80-acre spacing, said unit to be dedicated to a well to be drilled at an unorthodox oil well location 1200 feet from the North line and 1950 feet from the East line of said Section 14. 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.

CASE 9088: (Continued from March 4, 1987, Examiner Hearing)

Application of Nearburg Producing Company to amend the unorthodox location authorized by Division Order No. R-8375 and to include a directional drilling provision in said Order, Lea County, New Mexico. Division Order No. R-8375, dated December 23, 1986, authorized an unorthodox oil well location in the Undesignated South Humble City-Strawn Pool for a well to be drilled 1665 feet from the North line and 830 feet from the East line of Section 12, Township 17 South, Range 37 East. Applicant, in the above-styled cause, seeks to amend said Order to include authorization to directionally drill its well, located at the above-described surface location, to a bottomhole location in the Strawn formation within 100 feet of a point, 1980 feet from the North line and 430 feet from the East line of said Section 12, said bottomhole target point being unorthodox pursuant to the Special Rules promulgated for the South Humble City-Strawn Pool.

CASE 9090: (Continued from March 4, 1987, Examiner Hearing)

Application of Reading & Bates for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos and the Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the E/2 of Section 16, Township 25 North, Range 2 West, to form a standard 320-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard 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.

CASE 9091: (Continued from March 4, 1987, Examiner Hearing)

Application of Reading & Bates for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the West Lindrith Gallup-Dakota Oil Pool underlying the NE/4 of Section 27, Township 25 North, Range 3 West, to form a standard 160-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard 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.

CASE 9093: (Continued from March 4, 1987, Examiner Hearing)

Application of Reading & Bates for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos and the Undesignated Gavilan Greenhorn-Graneros-Dakota Oil Pools underlying the E/2 of Section 24, Township 25 North, Range 3 West, to form a standard 320-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard 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.

CASE 9111: Application of Benson-Montin-Greer Drilling Corporation for the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the BMG West Puerto Chiquito-Mancos Pressure Maintenance Project Area as promulgated by Division Order No. R-3401, as amended, to include certain lands in Townships 24, 25, and 26 North, Range 1 West.

CASE 8951: (Continued and Readvertised)

Application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico. The New Mexico Oil Conservation Division by Division Order No. R-8124, dated January 16, 1986, issued in Case 8745, authorized the applicant to conduct a long-term reservoir pressure test in the Mancos formation using certain wells in Rio Arriba County and further authorized the shut-in of certain wells and provided six months after completion of the test during which certain accumulated underproductions can be made up. Applicant, in the above-styled cause, now seeks the amendment of said Order No. R-8124 to provide for twelve months after completion of the reservoir pressure test during which to make up the accumulated underproduction of certain wells resulting from the test. Applicant further requests that all other provisions in said Order No. R-8124 remain in full force and effect.

CASE 9112: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in McKinley, Rio Arriba, San Juan, and Sandoval Counties, New Mexico:

- (a) CREATE a new pool in McKinley County, New Mexico, classified as an oil pool for Mesaverde production and designated as the Pot Mesa-Mesaverde Oil Pool. The discovery well is the Merrion Oil & Gas Corporation Pot Mesa Well No. 1 located in Unit B of Section 10, Township 20 North, Range 6 West, NMPM. Said pool would comprise:

TOWNSHIP 20 NORTH, RANGE 6 WEST, NMPM  
Section 2: SW/4 SE/4 and S/2 SW/4  
Section 3: S/2 SE/4 and SE/4 SW/4  
Section 10: NW/4 NE/4 and NE/4 NW/4

- (b) CREATE a new pool in McKinley County, New Mexico, classified as an oil pool for Hospah production and designated as the Nose Rock-Hospah Oil Pool. The discovery well is the Black Oil, Inc. NMLCO Gurley Well No. 1 located in Unit P of Section 9, Township 20 North, Range 12 West, NMPM. Said pool would comprise:

TOWNSHIP 20 NORTH, RANGE 12 WEST, NMPM  
Section 9: SE/4 SE/4

- (c) EXTEND the Albino-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM  
Section 10: SE/4

- (d) EXTEND the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 12 WEST, NMPM  
Section 36: N/2 and SW/4

- (e) EXTEND the Beautiful Mountain-Mississippian Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 19 WEST, NMPM  
Section 5: SW/4

- (f) EXTEND the Bisti-Farmington Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM  
Section 33: NW/4

- (g) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM  
Section 30: S/2 NW/4 and SW/4  
Section 31: N/2 NW/4

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM  
Section 29: W/2  
Section 32: N/2 NW/4

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM  
Section 20: E/2  
Section 21: NW/4 and N/2 SW/4  
Section 26: NE/4  
Section 29: N/2 NE/4

- (h) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM  
Section 7: NW/4  
Section 33: SW/4

TOWNSHIP 31 NORTH, RANGE 10 WEST, NMPM  
Section 12: NE/4

- (i) EXTEND the South Blanco-Tocito Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM  
Section 3: NW/4  
Section 4: NE/4

- (j) EXTEND the Bloomfield-Farmington Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM  
Section 13: SE/4  
Section 24: NE/4 and N/2 SE/4

- (k) EXTEND the Blue Mesa-Mesaverde Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 19 NORTH, RANGE 5 WEST, NMPM  
Section 11: N/2 SE/4

- (l) EXTEND the Chaco Wash-Mesaverde Oil Pool in McKinley County, New Mexico, to include therein:

TOWNSHIP 20 NORTH, RANGE 9 WEST, NMPM  
Section 28: SE/4 NE/4

- (m) EXTEND the Devils Fork-Gallup Associated Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM  
Section 31: All

TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM  
Section 36: SE/4

- (n) EXTEND the Dufers Point Gallup-Dakota Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 8 WEST, NMPM  
Section 5: SW/4  
Section 8: NE/4

TOWNSHIP 25 NORTH, RANGE 9 WEST, NMPM  
Section 2: NE/4

- (o) EXTEND the Escrito-Gallup Associated Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM  
Section 14: NW/4 NE/4 and NE/4 NW/4

- (p) EXTEND the Flora Vista-Gallup Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 13 WEST, NMPM  
Section 4: N/2

- (q) EXTEND the Flora Vista-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM  
Section 16: E/2  
Section 21: NE/4

- (r) EXTEND the Gallegos-Gallup Associated Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM  
Section 21: SW/4  
Section 28: NW/4

- (s) EXTEND the Gavilan-Mancos Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 2 WEST, NMPM  
Section 4: All  
Section 5: E/2  
Section 10: E/2  
Section 13: W/2  
Section 14: All

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM  
Section 7: All  
Section 8: W/2  
Section 15: E/2  
Section 16: All  
Section 17: E/2  
Section 18: All  
Section 32: E/2

- (t) EXTEND the Gavilan Greenhorn-Graneros-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM  
Section 2: S/2  
Section 11: All  
Section 14: All  
Section 15: E/2

- (u) EXTEND the Gavilan-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 2 WEST, NMPM  
Section 5: SE/4

- (v) EXTEND the Gobernador-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 5 WEST, NMPM  
 Section 2: NW/4  
 Section 3: NE/4

- (w) EXTEND the Kutz-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM  
 Section 1: SW/4  
 Section 2: SE/4  
 Section 11: NE/4  
 Section 12: NW/4

- (x) EXTEND the West Kutz-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM  
 Section 19: N/2

- (y) EXTEND the South Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM  
 Section 35: NE/4  
 Section 36: NW/4

- (z) EXTEND the West Lindrith Gallup-Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 2 WEST, NMPM  
 Section 6: NW/4

TOWNSHIP 24 NORTH, RANGE 4 WEST, NMPM  
 Section 18: NW/4  
 Section 35: All  
 Section 36: S/2 and NW/4

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM  
 Section 23: NW/4

- (aa) EXTEND the South Los Pinos Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM  
 Section 28: SW/4  
 Section 33: NW/4

- (bb) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM  
 Section 1: S/2 NE/4, SE/4 NW/4,  
 E/2 SW/4, and SE/4  
 Section 12: S/2, NE/4, E/2 NW/4, and  
 SW/4 NW/4  
 Section 25: S/2 SE/4  
 Section 36: N/2 NE/4

- (cc) EXTEND the Many Rocks-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 17 WEST, NMPM  
 Section 26: NE/4 SW/4

- (dd) EXTEND the North Many Rocks-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 17 WEST, NMPM  
 Section 21: SW/4 NW/4 and NW/4 SW/4

- (ee) EXTEND the Nageezi-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 8 WEST, NMPM  
 Section 16: SE/4

- (ff) EXTEND the Northeast Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 2 WEST, NMPM  
Section 31: All

- (gg) EXTEND the Otero-Chacra Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM  
Section 4: SW/4  
Section 9: NW/4

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM  
Section 11: E/2

- (hh) EXTEND the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM  
Section 21: SE/4  
Section 22: W/2 SW/4  
Section 27: NW/4 NW/4  
Section 28: N/2 NE/4, SW/4 NE/4, and  
SE/4 NW/4

- (ii) EXTEND the Potwin-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 8 WEST, NMPM  
Section 17: NE/4

- (jj) EXTEND the Totah-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM  
Section 16: S/2 NW/4  
Section 17: S/2 NE/4

- (kk) EXTEND the Twin Mounds Fruitland-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM  
Section 32: NE/4

- (ll) EXTEND the Wild Horse-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM  
Section 5: SW/4  
Section 6: All  
Section 7: N/2

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Docket No. 11-87

DOCKET: COMMISSION HEARING - MONDAY - MARCH 30, 1987

OIL CONSERVATION COMMISSION - 9 A.M. - MORGAN HALL  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 8350: (Reopened)

In the matter of Case 8350 being reopened pursuant to the provisions of Commission Order No. R-7745, which order promulgated temporary special rules and regulations for the Gavilan Greenhorn-Graneros-Dakota Oil Pool in Rio Arriba County, including a provision for 320-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 7980: (Reopened)

In the matter of Case 7980 being reopened pursuant to the provisions of Commission Order No. R-7407, which order promulgated temporary special rules and regulations for the Gavilan-Mancos Oil Pool in Rio Arriba County, including a provision for 320-acre spacing units. Operators in said pool may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 8946: (Reopened)

In the matter of Case 8946 being reopened pursuant to the provisions of Commission Order No. R-7407-D, which order promulgated a temporary limiting gas-oil ratio and depth bracket allowable for the Gavilan-Mancos Oil Pool in Rio Arriba County. This case is being reopened in consolidation with the reconsideration of the Temporary Special Rules established by Order No. R-7407 for the Gavilan-Mancos Oil Pool.

CASE 8950: (Reopened)

In the matter of Case 8950 being reopened pursuant to the provisions of Commission Order No. R-2565-E (R-6469-C) and No. R-3401-A, as amended, which order promulgated a temporary limiting gas-oil ratio for the West Puerto Chiquito-Mancos Oil Pool in Rio Arriba County. This case is being reopened in consolidation with the reconsideration of the Temporary Special Rules established by Order No. R-7407 for the Gavilan-Mancos Oil Pool.

CASE 9113: Application of Benson-Montin-Greer Drilling Corporation, Jerome P. McHugh & Associates, and Sun Exploration and Production Company to abolish the Gavilan-Mancos Oil Pool, to extend the West Puerto Chiquito-Mancos Oil Pool, and to amend the special rules and regulations for the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the abolishment of the Gavilan-Mancos Oil Pool; the concomitant extension of the West Puerto Chiquito-Mancos Oil Pool; and the amendment of the special rules and regulations for the West Puerto Chiquito-Mancos Oil Pool as promulgated by the Division, including provisions for 640-acre spacing units, a 600 to 1 gas-oil ratio limitation, the establishment of an administrative procedure for the drilling of a second well on a standard proration unit, and special well location provisions.

CASE 9114: Application of Mesa Grande Resources, Inc. for the extension of the Gavilan-Mancos Oil Pool and the contraction of the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the contraction of the West Puerto Chiquito-Mancos Oil Pool and the concomitant extension of the Gavilan-Mancos Oil Pool underlying certain lands in Townships 24, 25, and 26 North, Ranges 1 and 2 West.