

CASE 10422: (Continued from February 6, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the SE/4 of Section 8, Township 19 South, Range 25 East, forming a standard 160-acre gas spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard location in the NW/4 SE/4 (Unit J) of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8.5 miles southwest by west of Dayton, New Mexico.

CASE 10445: **Application of Western Reserves Oil Company Inc. for compulsory pooling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Northwest Jenkins-San Andres Pool underlying the NE/4 NE/4 (Unit A) of Section 9, Township 9 South, Range 34 East, forming a standard 40-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to the plugged and abandoned Midwest Oil Corporation James Petroleum "A" Well No. 1 located 660 feet from the North and East lines of said Section 9. Also to be considered will be the cost of re-entering and recompleting 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 re-entering and recompleting said well. Said well is located approximately 7.5 miles west-northwest of Crossroads, New Mexico.

CASE 10441: (Continued from February 6, 1992, Examiner Hearing.)

Application of Manzano Oil Corporation for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Northeast Lovington-Pennsylvanian Pool underlying the S/2 SE/4 of Section 1, Township 16 South, Range 36 East, forming a standard 80-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at an unorthodox oil well location 330 feet from the South line and 1980 feet from the East line (Unit W) of said Section 1. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles east of the Lea County Fair Grounds.

CASE 10446: **Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. Lot 2 of said Section 2 is to be dedicated to said well forming a 39.81-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

CASE 10447: **Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SW/4 NE/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

CASE 10448: **Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the South line and 2310 feet from the West line (Unit N) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SE/4 SW/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for either the Undesignated Lost Tank-Delaware Pool or the Undesignated Livingston Ridge-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities.

Dockets Nos. 7-92 and 8-92 are tentatively set for March 5, 1992 and March 19, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 20, 1992

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

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

CASE 10372: (Continued from December 19, 1991, Examiner Hearing - This case will be dismissed.)

Application of Parker & Parsley Development Company 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 S/2 equivalent of Section 33, Township 31 North, Range 4 West, forming a standard 320-acre, more or less, spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, 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 coal gas well location in the SW/4 of said Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 15 miles west-southwest of Dulce, New Mexico.

CASE 10216: (Reopened)

In the matter of Case 10216 being reopened pursuant to the provisions of Division Order No. R-6849-A, which order approved a limiting gas-oil ratio of 7,000 to 1 for the West Nadine-Blinebry Pool in Lea County, New Mexico. Said Case 10216 is being reopened to allow the operators in the pool to appear and present evidence and show cause why the foregoing rule should remain in effect.

CASE 10442: Application of Marbob Energy Corporation for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location to be drilled 2263 feet from the South line and 1430 feet from the East line (Unit J) of Section 13, Township 11 South, Range 27 East, Chisum-Devonian Pool. Said well is to be simultaneously dedicated with the existing State CF Well No. 4, located at a standard oil well location 1980 feet from the South and East lines of said Section 13, to the NW/4 SE/4 of said section being a standard 40-acre oil spacing and proration unit in said pool. The subject unit is located approximately 4 miles south of U.S. Highway 380 at milemarker No. 175.

CASE 10443: Application of Marathon Oil Company to amend Division Order No. R-9503, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Division Order No. R-9503 to authorize an increase of the vertical extension of the injection interval in its McDonald State A/C-1 Well Nos. 30 and 33 located in Units L and I of Section 16, Township 22 South, Range 36 East, McDonald State A/C-1 Lease Waterflood Project, to include the lowermost 100 feet of the Seven Rivers Formation. Said waterflood project is located approximately 7 miles south of Oil Center, New Mexico.

CASE 10444: Application of Amerada Hess Corporation for pool contraction, pool creation, and promulgation of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Lower Blinebry formation and the promulgation of special pool rules therefor, including provisions for 80-acre oil spacing and proration units, designated well location requirements and a special gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil. Applicant also seeks the concomitant contraction of the vertical limits of the Hobbs-Blinebry Pool in conjunction with the creation of said new Lower Blinebry oil pool within the existing horizontal boundaries of the Hobbs-Blinebry Pool in portions of Townships 18 and 19 South, Range 38 East. Said area is located on the west side of Hobbs, New Mexico.

CASE 9854: (Readvertised)

In the matter of Case 9854 being reopened pursuant to the provisions of Division Order No. R-9131-A/R-5353-K, which order reclassified the Diablo-Fusselman Pool in Chaves County, New Mexico, as an associated pool with special rules and regulations including provisions for 80-acre oil and 160-acre gas spacing and proration units, designated well location requirements, and established a gas/oil ratio (GOR) limitation of 6,500 cubic feet of gas per barrel of oil. All interested parties may appear and show cause why the Diablo-Fusselman Associated Pool should not be reclassified as either a gas pool or oil pool, to be governed by applicable statewide rules or to make any such recommendations regarding the proper spacing and development for said pool on a permanent basis.

DOCKET: COMMISSION HEARING - WEDNESDAY - OCTOBER 21, 1992
8:30 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

The Land Commissioner's designee for this hearing will be Gary Carlson
The following case were continued from September 9, 1992, Commission Hearing

CASE 10446: (De Novo)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. Lot 2 of said Section 2 is to be dedicated to said well forming a 39.81-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities. Upon application of Yates Petroleum Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10447: (De Novo)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SW/4 NE/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities. Upon application of Yates Petroleum Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10448: (De Novo)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the South line and 2310 feet from the West line (Unit N) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SE/4 SW/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for either the Undesignated Lost Tank-Delaware Pool or the Undesignated Livingston Ridge-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities. Upon application of New Mexico Potash Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10449: (De Novo)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 1980 feet from the South line and 2310 feet from the West line (Unit K) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The NE/4 SW/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool or the Undesignated Livingston Ridge-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities. Upon application of New Mexico Potash Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10490: (Continued from August 6, 1992, Examiner Hearing.)

Application of Noranda Minerals Inc. requesting the Division to rescind or deny an application to drill a certain well in the oil/potash area, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order denying or rescinding the approval of an "Application for Permit to Drill" which would authorize Yates Petroleum Corporation to drill its Snyder "AKY" Well No. 1 at a standard oil well location in the NW/4 SW/4 (Unit L) of Section 1, Township 20 South, Range 32 East, (approximately 3 miles north of the junction of U.S. Highway 62/180 and State Highway 176). Said location is within the designated oil/potash area as described in and governed under the provisions of Division Order No. R-111-P.

Docket No. 30-92

DOCKET: COMMISSION HEARING - WEDNESDAY - SEPTEMBER 9, 1992

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

CASE 10466: Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. Lot 2 of said Section 2 is to be dedicated to said well forming a 39.81-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities. Upon application of Yates Petroleum Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

~~CASE 10447:~~ (De Novo) (Readvertised)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SW/4 NE/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities. Upon application of Yates Petroleum Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10448: (De Novo) (Readvertised)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the South line and 2310 feet from the West line (Unit N) , Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SE/4 SW/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for either the Undesignated Lost Tank-Delaware Pool or the Undesignated Livingston Ridge-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities. Upon application of New Mexico Potash Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10449: (De Novo) (Readvertised)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 1980 feet from the South line and 2310 feet from the West line (Unit K) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The NE/4 SW/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool or the Undesignated Livingston Ridge-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities. Upon application of New Mexico Potash Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10459: (Readvertised)

Application of Bright & Company for a high angle/horizontal directional drilling pilot project, special operating rules therefor, and an exception to the pool's gas/oil ratio limitation factor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Undesignated Rio Puerco-Mancos Oil Pool by commencing its Cuba Mesa Unit Well No. 1 at a standard surface oil well location 730 feet from the South line and 1000 feet from the West line (Unit M) of Section 35, Township 21 North, Range 2 West, drill vertically to a depth of approximately 4000 feet, kick-off in a northerly direction, build angle up to approximately 88 degrees, drill horizontally for approximately 3000 feet, and bottom said wellbore at a location approximately 1250 feet from the North line and 660 feet from the West line of said Section 35. Said well is to be dedicated to the W/2 of said Section 35 forming a standard 320-acre oil spacing and proration unit for said pool. Applicant further seeks the adoption of special operating provisions and rules within the pilot project area including a special gas/oil ratio of 1,000 to 1. Applicant proposes to keep the horizontal displacement of said well's producing interval within the allowed 660 foot setback from the outer boundary of the assigned spacing unit. Said unit is located approximately 3.5 miles west by south of Cuba, New Mexico.

DOCKET 15-92

DOCKET: COMMISSION HEARING - THURSDAY - MAY 21, 1992
9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

The Land Commissioner's designees for this hearing will be Jami Bailey for Case 10436 and Gary Carlson for Cases 10446 through 10449

CASE 10436: (Continued from April 9, 1992, Commission Hearing.)

Application by the Oil Conservation Division for the expansion of the San Juan Basin "Vulnerable Area" which was established by OCC Order No. R-7940 in 1985. The expansion area includes all lands defined by a contour line which is fifty (50) vertical feet above and on both sides of the centerline of drainages into the San Juan, Animas and La Plata Rivers in San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico. The application also requests amendments to OCC Order R-7940 and Order R-7940-A to prohibit all discharges to unlined pits, to require the registration of all pits outside the defined "Vulnerable Area" that receive more than five barrels per day, to establish a special protection area at Lindrith, New Mexico and to provide a wellhead protection zone of 1000 feet surrounding all springs and fresh water wells.

CASE 10446: (De Novo)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. Lot 2 of said Section 2 is to be dedicated to said well forming a 39.81-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities. Upon application of Yates Petroleum Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10446: (De Novo)

Application of Yates Petroleum Corporation for authorization to drill, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill within the "Potash Area" pursuant to all applicable rules and procedures governing said area, as promulgated by Division Order No. R-111-P. The proposed well is to be located 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 2, Township 22 South, Range 31 East, to test the Delaware formation at an approximate depth of 8500 feet for oil. The SW/4 NE/4 of said Section 2 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit for the Undesignated Lost Tank-Delaware Pool. Said unit is located approximately 11 miles east of IMC Inc.'s Potash Mining and Refining Facilities. Upon application of Yates Petroleum Corporation this case will be heard De Novo pursuant to the provisions of Rule 1220.

Dockets Nos. 16-92 and 17-92 are tentatively set for May 28, 1992 and June 11, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - MAY 14, 1992

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

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

CASE 10475: Application of Terra Energy Ltd., for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Lone Wolf Unit Agreement for an area comprising 2120 acres, more or less, of Federal, State and Fee lands in portions of Township 13 South, Range 29 East, which is approximately 16 miles east by north of Hagerman, New Mexico.

CASE 10476: Application of Yates Petroleum Corporation for Amendment of Division Order No. R-2178, as amended, to include a carbon dioxide injection pilot project, two unorthodox injection well locations, and to rescind Division Order No. R-7821, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-2178, which order authorized the West Loco Hills Grayburg No. 4 Sand Unit Waterflood Project located in portions of Townships 17 and 18 South, Ranges 29 and 30 East, which is centered approximately 5.5 miles southwest of Loco Hills, New Mexico, to include the injection of carbon dioxide into the Loco Hills Queen-Grayburg-San Andres Pool in a portion of said waterflood project area. The applicant proposes to utilize two injection wells to be drilled at the following unorthodox locations in Section 7, Township 18 South, Range 30 East:

- a) Well No. 9: 1980'FNL- 40'FWL (Unit E); and,
- b) Well No. 10: 2455'FSL- 50'FWL (Unit L).

Further, the applicant seeks the rescission of its previous authorization to initiate a pilot carbon dioxide injection project in this area by Order No. R-7821, dated February 21, 1985.

CASE 10145: (Reopened)

In the matter of Case 10145 being reopened pursuant to the provisions of Division Order No. R-6368-B, which order promulgated a temporary gas-oil ratio limitation of 4,000 to 1 for the Avalon-Delaware Pool in Eddy County, New Mexico. Operators may appear and present evidence and show cause why the foregoing temporary gas-oil ratio limitation should remain in effect.

CASE 10308: (Reopened)

In the matter of Case 10308 being reopened pursuant to the provisions of Division Order No. R-9514, which order established temporary special pool rules and regulations for the South Lone Wolf-Devonian Pool in Chaves County, including a provision for 160-acre spacing units. Operators may appear and present evidence and show cause why the South Lone Wolf-Devonian Pool temporary rules promulgated herein should not be rescinded.

CASE 10457: (Continued from April 16, 1992, Examiner Hearing.)

Application of Union Oil Company of California D/B/A UNOCAL, for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules for the Red Hills-Pennsylvanian Gas Pool, including a provision for 640-acre spacing units and designated well location requirements. Said pool comprises Sections 31, 32 and 33, Township 25 South, Range 33 East and Sections 4, 5, and 6, Township 26 South, Range 33 East and is located approximately 23 miles west of Jal, New Mexico.

CASE 10323: (Continued from April 30, 1992, Examiner Hearing.)

Application of Collins & Ware, Inc. for compulsory pooling and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation or to a depth of 15,100 feet, whichever is deeper, underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 31, Township 21 South, Range 32 East, forming a non-standard 334.72-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Red Tank-Atoka Gas Pool and Undesignated Bilbrey-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 32.75 miles west of Eunice, New Mexico.