

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT
DAVID B. LAWRENZ

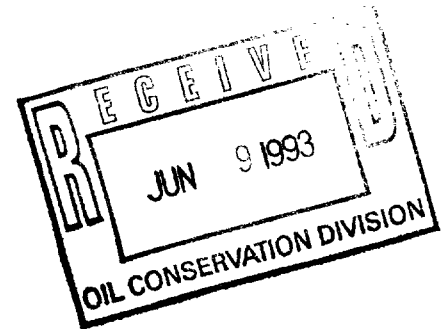
JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

June 8, 1993

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

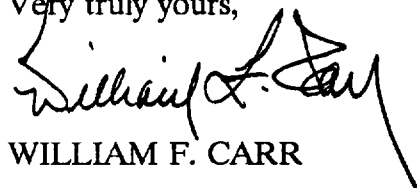


Re: In the Matter of the Application of Yates Petroleum Corporation for
Approval of its Sanmal Queen Unit Agreement, Lea County, New Mexico

Dear Mr. LeMay:

Enclosed in triplicate is the Application of Yates Petroleum Corporation in the above-referenced case and a draft of a legal advertisement. Yates Petroleum Corporation respectfully requests that this matter be placed on the docket for the July 15, 1993 Examiner hearings.

Very truly yours,

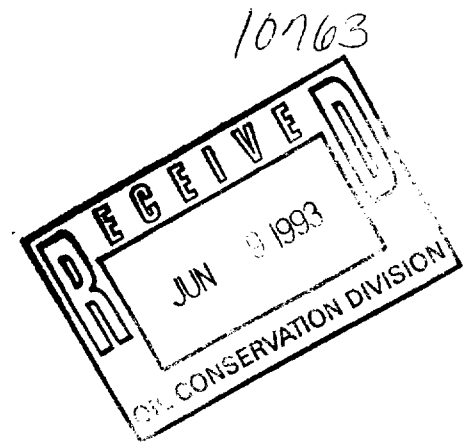

WILLIAM F. CARR

WFC:mlh

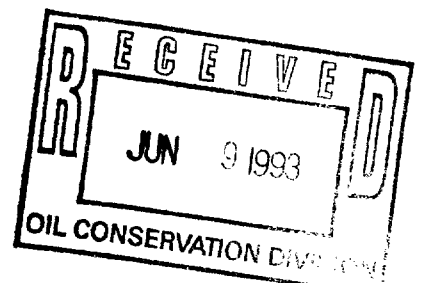
Enclosures

cc w/enclosure: Mr. Rob Bullock

CASE _____: Application of Yates Petroleum Corporation for a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Sanmal Queen Unit Agreement for an area comprising 440 acres, more or less, of State land in Sections 1 and 12, Township 17 South, Range 33 East, which is centered approximately ____ miles ____ of _____, New Mexico.



BEFORE THE
OIL CONSERVATION DIVISION



NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

IN THE MATTER OF THE APPLICATION
OF YATES PETROLEUM CORPORATION
FOR APPROVAL OF A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.

CASE NO. 10763

APPLICATION

YATES PETROLEUM CORPORATION, through its undersigned attorneys, hereby makes application for an order approving its Sanmal Queen Unit Agreement and in support of this application would show the Division:

1. That the proposed Unit Agreement consists of 440 acres, more or less, of State land, situated in Lea County, New Mexico. The horizontal limits of said unit are described as follows:

Township 17 South, Range 33 East, N.M.P.M.

Section 1: S/2 NE/4, N/2 SE/4, SW/4 SE/4, SW/4
Section 12: N/2 NW/4

2. The Unit Agreement has been approved by a sufficient percentage of the interest owners within the proposed Unit Area to provide effective control of unit operations.

3. The Applicant, Yates Petroleum Corporation, is designated as Unit Operator in said Unit Agreement and all oil and gas in any and all formations is unitized.

4. The proposed Unit Area covers all, or substantially all, of the geological structures or anomaly involved.

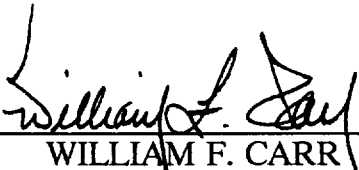
5. Prior to hearing the proposed Unit Agreement will be reviewed with the State Land Office for its approval as to form and content.

6. Said Unit Agreement and the unitized operation and management of the Unit Area will be in the interest of conservation and the prevention of waste, and that it will protect the correlative rights of all parties concerned.

WHEREFORE, Yates Petroleum Corporation requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 15, 1993 that notice be given as required by law and the rules of the Division, and that the Sanmal Queen Unit Agreement be approved.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

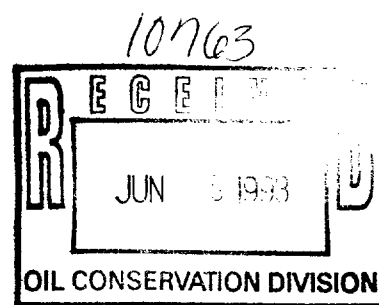
By: 
WILLIAM F. CARR

Post Office Box 2208
Santa Fe, New Mexico 87504
Telephone: (505) 988-4421

ATTORNEYS FOR YATES
PETROLEUM CORPORATION

CASE _____:

Application of Yates Petroleum Corporation for a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Sanmal Queen Unit Agreement for an area comprising 440 acres, more or less, of State land in Sections 1 and 12, Township 17 South, Range 33 East, which is centered approximately ____ miles ____ of _____, New Mexico.



**DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 12, 1993
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO**

Dockets Nos. 25-93 and 26-93 are tentatively set for August 26, 1993 and September 9, 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 10785: Application of Merrion Oil & Gas Corporation for a unit agreement, Sandoval County, New Mexico. Applicant seeks approval of the Hagan Unit Agreement for an area comprising 16,621.58 acres of Federal, State and Fee lands in portions of Townships 13 and 14 North, Range 6 East, which is centered approximately 10 miles east of Algodones, New Mexico.

CASE 10786: Application of Merrion Oil & Gas Corporation for a unit agreement, Sandoval County, New Mexico. Applicant seeks approval of the Blackshare Unit Agreement for an area comprising 5,917.78 acres, more or less, of Federal, State and Fee lands in portions of Townships 13 and 14 North, Range 6 East, which is centered approximately 7 miles west by south of Madrid, New Mexico.

CASE 10787: Application of Merrion Oil & Gas Company for an unorthodox oil well location, McKinley County, New Mexico. Applicant seeks approval of an unorthodox oil well location in the Ojo Encino Entrada Oil Pool for its proposed High Hopes Well No. 1 to be drilled 1220 feet from the North line and 1300 feet from the East line (Unit A) of Section 28, Township 20 North, Range 5 West. Said unit is located approximately 1 mile southwest of Ojo Encino Trailer School.

CASE 10788: 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 10789: Application of Bright & Company for approval of a second well in a high angle/horizontal directional drilling pilot project, an unorthodox surface oil well location, and special operating rules therefor, Sandoval County, New Mexico. Applicant seeks to drill a second high angle/horizontal well in the Rio Puerco-Mancos Oil Pool within its high angle/horizontal directional drilling pilot project previously approved by Division Order No. R-9676 by commencing its Cuba Mesa Unit 35 Well No. 2 at an unorthodox surface location 1010 feet from the South line and 820 feet from the West line (Unit M) of Section 35, Township 21 North, Range 2 West, drill vertically to a depth of approximately 3539 feet, kick-off in a north-northwesterly direction, build angle up to approximately 87.25 degrees, drill horizontally for approximately 3613 feet, and bottom said wellbore at a location approximately 660 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 requests a special oil allowable of 19,200 barrels for the 60-day period commencing the day the well is spudded, and an additional allowable of 320 barrels of oil per day for the well after completion. 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.

CASE 10687: (Continued from July 15, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the following described areas in Section 17, Township 18 South, Range 28 East, and in the following manner: the E/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; and 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. Said unit is to be dedicated to its Illinois Camp "17" State Well No. 2, to be drilled at a standard 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles north of Illinois Camp.

CASE 10767: (Continued from July 29, 1993, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 all of Section 5, Township 22 South, Range 24 East, forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent. Said unit is to be dedicated to its reentry of the Discovery Operating Walt Canyon 5 Fed Well No. 1 at a standard location in said Section 5. Also to be considered will be the cost of reentering 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 reentering and completing said well. Said well is located approximately 2 miles south of the Tepee.

CASE 10790: 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.

CASE 10763: (Continued from July 29, 1993, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Sanmal Queen Unit Agreement for an area comprising 440 acres, more or less, of State land in Sections 1 and 12, Township 17 South, Range 33 East, which is centered approximately 3 miles north of Buckeye, New Mexico.

CASE 10764: (Continued from July 29, 1993, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Saffron Unit Agreement for an area comprising 1,396.01 acres, more or less, of Federal and State lands in Sections 1, 2 and 3 of Township 23 South, Range 32 East, which is located approximately 24 miles west of Eunice, New Mexico.

CASE 10791: (This case will be continued to August 26, 1993, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its Beauregard ANP State Com Well No. 1 to the Morrow formation, Illinois Camp-Morrow Gas Pool, at an unorthodox gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 14, Township 18 South, Range 27 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 4 miles northeast of Illinois Camp.

CASE 10792: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its Yerba AMY Fed Com Well No. 1 at an unorthodox gas well location 1650 feet from the North line and 1580 feet from the West line (Unit F) of Section 14, Township 21 South, Range 24 East. Applicant further requests approval of the unorthodox location as to all prospective pools or formations including but not limited to the Wolfcamp, Cisco, Canyon, Strawn, Atoka and Morrow formations. Said well is located approximately 12 miles west by Northwest of Carlsbad, New Mexico.

CASE 10793: Application of Yates Petroleum Corporation for a pilot gas enhanced recovery project, Chaves County, New Mexico. Applicant seeks authority to implement a pilot project within portions of the Pecos Slope Abo-Gas Pool in which it may drill an additional well on certain 160-acre spacing units to determine if additional development is necessary to effectively and efficiently drain the Abo formation. The pilot project area shall be limited to the following tracts:

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM

Section 1: NW/4
Section 8: NE/4
Section 11: E/2
Section 15: SW/4
Section 24: SW/4
Section 26: NE/4
Section 35: NE/4

Said area is located approximately 12 miles west of Haystack Butte.

CASE 10794: Application of Yates Petroleum Corporation for approval of a waterflood project, Lea County, New Mexico. Applicant seeks approval of its Sanmal Unit Waterflood Project by injection of water into the Queen formation through three (3) injection wells located in the following described area:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM

Section 1: SW/4, S/2 NE/4, N/2 SE/4, SW/4 SE/4
Section 12: N/2 NW/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 3 miles north of Buckeye, New Mexico.

CASE 10772: (Continued from July 15, 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 10766: (Continued from July 15, 1993, Examiner Hearing.)

Application of David H. Arrington Oil & Gas Inc. for an unorthodox gas well location and non-standard gas spacing unit, Lea County, New Mexico. Applicant seeks authorization to drill a well at an unorthodox location 1980 feet from the North line and 1650 feet from the West line (Unit F) of Section 11, Township 21 South, Range 36 East, Eumont Gas Pool. Applicant also seeks authority to dedicate a non-standard spacing unit comprised of the SE/4 NW/4, S/2 NE/4 and the NW/4 SE/4 of said Section 11 to said well. Said unit is located approximately 1 mile east of Oil Center, New Mexico.

CASE 10795: Application of David H. Arrington Oil & Gas Inc. for an unorthodox gas well location and a non-standard spacing unit, Lea County, New Mexico. Applicant seeks authorization to drill its Foster Well No. 3 in the Eumont Gas Pool at an unorthodox gas well location 330 feet from the South and East lines (Unit P) of Section 34, Township 19 South, Range 36 East, to be dedicated to a non-standard 160-acre gas proration unit comprising the S/2 S/2 of said Section 34. Said area is approximately 1 mile northwest of the Warren Gas Co. Compressor Station.

CASE 10796: Application of Manzano Oil Corporation for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox location in the Wolfcamp formation, Osudo-Wolfcamp Pool, for its Neuhaus Federal Well No. 2 which has been drilled 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 14, Township 20 South, Range 35 East. Applicant further requests approval of the unorthodox location as to all prospective pools or formations including but not limited to the Wolfcamp, spaced on 320 acres. Said well is located approximately 17 miles southwest of Hobbs, New Mexico.

CASE 10797: Application of Collins and Ware, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval to drill its Kaiser State Well No. 43 at an unorthodox gas well location 1000 feet from the South line and 400 feet from the West line (Unit M) of Section 13, Township 21 South, Range 34 East. The SW/4 of said Section 13 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 Wilson Yates-Seven Rivers Associated Pool, Yates-Seven Rivers formation which are spaced on 160 acres. Said well is located approximately 9 miles west of the Intersection of State Highway 8 and 176.

CASE 10777: (Continued from July 29, 1993, Examiner Hearing.)

Application of Texaco Exploration and Production, Inc. for special pool rules, Lea County, New Mexico. Applicant seeks the promulgation of special rules and regulations for the North Teague-Ellenburger Pool including a provision for a special depth bracket allowable of 700 barrels of oil per day. Said pool is located in Township 23 South, Range 37 East, located 1 1/2 miles northeast of the United Carbon Co. Harkness Plant.

CASE 10798: Application of Texaco Exploration and Production, Inc. to authorize the expansion of a portion of its Cooper Jal Unit Waterflood Project, and qualify said expansion for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Jahmat and Langlie-Mattix Pools, 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 a portion of its Cooper Jal Unit Waterflood Project for the Recovered Oil Tax Rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). The portion of the Cooper Jal Unit to be included in the project area is as follows:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM

Section 13: S/2
Section 18: SW/4 SW/4
Section 23: S/2 SE/4
Section 24: All
Section 25: N/2
Section 26: NE/4 NE/4

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 19: W/2
Section 30: NW/4

comprising 1920 acres, more or less. 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 is located approximately 5 miles north of Jal, New Mexico.

**DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 19, 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

CASE 10799: The Oil Conservation Division is calling a hearing on its own motion to accept nominations and other evidence and information to assist in determining October 1993 through March 1994 gas allowables for the prorated gas pools in New Mexico. Thirteen of the prorated gas pools are in Lea, Eddy and Chaves Counties in Southeast New Mexico and four pools are in San Juan, Rio Arriba, and Sandoval Counties in Northwest New Mexico. Amendments to the Gas Proration Rules approved by Commission Order No. R-8170-H in December 1990 provide for allowables to be established for 6-month allocation periods beginning in April and October of each year. Information concerning preliminary allowable estimates for the October-March period is being distributed with OCD docket dated July 30, 1993.

CASE 10498: (De Novo - Continued from July 22, 1993, Commission Hearing.)

In the matter of Case No. 10498 being reopened upon application of Monty D. McLane to exempt certain working interests from the compulsory pooling provisions of Division Order No. R-9690, Lea County, New Mexico. Division Order No. R-9690, issued in Case 10498 and dated July 1, 1992, granted the application of Charles Gillespie to compulsorily pool all mineral interests from the surface to the base of the Strawn formation underlying Lot 3 of Section 1, Township 16 South, Range 35 East, forming a non-standard 51.08-acre oil spacing and proration unit. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. At this time Monty D. McLane requests the Division enter an order reopening Case No. 10498 and declare that the working interests of Henry H. Lawton and Amanda K. Parks are not subject to said Order No. R-9690. Upon application of Charles B. Gillespie Jr., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10345: (De Novo - Continued from July 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 July 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.

CASE 10693: (DE NOVO)

Application of Pronghorn SWD System for salt water disposal, Lea County, New Mexico. Applicant seeks authority to dispose of produced salt water into the Capitan Reef formation through the perforated interval from approximately 3220 feet to 5050 feet in its Brooks Federal "7" Well No. 6 located in Unit N, Section 7, Township 20 South, Range 33 East, which is approximately 1 mile northwest of Laguna Gatuna. Upon application of Pronghorn SWD System, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**DOCKET: EXAMINER HEARING - THURSDAY - JULY 29, 1993
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO**

Dockets Nos. 23-93 and 24-93 are tentatively set for August 12, 1993 and August 26, 1993. Applications for hearing must be filed at least 23 days in advance of hearing date.

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

CASE 10774: Application of Santa Fe Energy Operating Partners, L. P. for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Thistle Unit Agreement for an area comprising 4,880 acres, more or less, of Federal and State lands in Sections 20, 21, 22, 27, 28, 29, 32, 33, and 34, Township 23 South, Range 33 East, which is centered approximately 4 miles north of mile marker 27 and State Highway 128.

CASE 10775: Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox infill gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant seeks approval of an unorthodox well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 1, Township 24 South, Range 28 East, Malaga-Atoka Gas Pool. Further, the applicant seeks an exception to Division General Rule 104.c(2) to allow the existing 320-acre gas spacing and proration unit comprising the S/2 of said Section 1 to be simultaneously dedicated in the Malaga-Atoka Gas Pool to the proposed well and to the existing Malaga Federal 1 Well No. 1 located at a standard gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 1. Said unit is located approximately 2 miles northeast of Malaga, New Mexico.

CASE 10767: (Continued from July 15, 1993, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 all of Section 5, Township 22 South, Range 24 East, forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent. Said unit is to be dedicated to its reentry of the Discovery Operating Walt Canyon 5 Fed Well No. 1 at a standard location in said Section 5. Also to be considered will be the cost of reentering 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 reentering and completing said well. Said well is located approximately 2 miles south of the Tepee.

CASE 10768: (Readvertised)

Application of Santa Fe Energy Operating Partners, L.P. 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 all of Section 8, Township 22 South, Range 24 East, forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent. Said unit is to be dedicated to a well drilled at an orthodox location in 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said well is located approximately 3 miles south of the Tepee.

CASE 10759: (Continued from July 1, 1993, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L.P. 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 N/2 of Section 9, Township 24 South, Range 25 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 Mosley Canyon 9 State Com Well No. 1, to be drilled at an orthodox location within said N/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 and completing said well. Said well is located approximately 4 miles north of White City.

CASE 10760: (Continued from July 1, 1993, Examiner Hearing.)

Application of Breck Operating Corporation for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the W/2 of Section 20, Township 28 North, Range 10 West, forming a standard 320-acre gas spacing and proration unit for said pool developed within said vertical extent. Said unit is to be dedicated to its Kutz-Government Well No. 9, recompleted at an approved unorthodox 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 and completing said well. Said well is located approximately 5 miles southeast of Bloomfield, New Mexico.

CASE 10752: (Readvertised)

Application of Rand Oil and Gas, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Devonian formation or to a depth of 12,200 feet, whichever is deeper, underlying the E/2 NW/4 of Section 18, Township 17 South, Range 39 East, 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, which presently includes only the South Knowles-Devonian Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location 1980 feet from the North and West lines (Unit F) of said Section 18. 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 3 miles east of Knowles, New Mexico.

CASE 10776: **Application of Drum Energy Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Blinberry formation, or 6200 feet, whichever is deeper, underlying the SW/4 of Section 35, Township 19 South, Range 38 East, 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, if the proposed well is a gas well, or the SE/4 SW/4 of said Section 35 forming 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 if the proposed well is an oil well. Said unit is to be dedicated to a well to be drilled at a standard location 1100 feet from the South line and 1980 feet from the West line in said Section 35. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said well is located approximately 1/2 mile south of Nadine, New Mexico.

CASE 10755: (Continued from July 1, 1993, Examiner Hearing.)

Application of Hal J. Rasmussen Operating, Inc. for unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant seeks authorization to drill its Eaves A Well No. 18 - 160 feet from the North line and 2173 feet from the East line of Section 30; Eaves A Well No. 19 - 1414 feet from the South line and 3190 feet from the East line of Section 19; Eaves A Well No. 20 - 2570 feet from the South line and 3538 feet from the East line of Section 19; and, Eaves B Well No. 20 - 1414 feet from the South line and 429 feet from the East line of Section 30, all in Township 26 South, Range 37 East, Scarborough Yates-Seven Rivers Pool. Applicant further proposes to simultaneously dedicate the production from said wells with the production from wells on existing proration units. Said wells are located approximately 3 miles south of Bennett, New Mexico.

CASE 10756: (Continued from July 1, 1993, Examiner Hearing.)

Application of Hal J. Rasmussen Operating, Inc. for unorthodox locations and simultaneous dedication, Lea County, New Mexico. Applicant seeks authorization to drill its Sholes A Well No. 9 at an unorthodox location 1300 feet from the South line and 660 feet from the East line and its Sholes A Well No. 10 at an unorthodox location 1300 feet from the North line and 660 feet from the East line of Section 24, Township 25 South, Range 36 East, Jalmat Gas Pool. Applicant further proposes to simultaneously dedicate the production from said wells with the production from wells on existing proration units. Said wells are located approximately 1 mile west of Jal, New Mexico.

CASE 10717: (Continued from July 1, 1993, Examiner Hearing.)

Application of Davcro Inc. for salt water disposal, Lea County, New Mexico. Applicant seeks authority to re-enter the previously plugged and abandoned Cactus Drilling Corporation Sawyer Deep Well No. 1 located 330 feet from the South line and 2310 feet from the West line (Unit N) of Section 19, Township 9 South, Range 38 East, and utilize said well to dispose of produced salt water into the Sawyer-San Andres Associated Pool through the open-hole interval from approximately 5120 feet to 5600 feet. Said well is located approximately 4.5 miles east of Crossroads, New Mexico.

CASE 10749: (Continued from July 1, 1993, Examiner Hearing.)

Application of Devon Energy Corporation for pool creation and special pool rules, Eddy County, New Mexico. Applicant seeks the promulgation of special rules for the Ingle Wells-Delaware Pool located in portions of Sections 26 and 35 of Township 23 South, Range 31 East and in a portion of Section 2, Township 24 South, Range 31 East, including a provision for a gas-oil limitation of 5000 cubic feet of gas per barrel of oil. Said area is located approximately 2 miles west of mile marker 19 on highway 128.

CASE 10543: (Reopened)

Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant seeks to reopen this matter to present new evidence to support its original application for an unorthodox gas well location for its Irish Hills "KW" State Well No. 3, located 660 feet from the North and East lines (Unit A) of Section 2, Township 19 South, Range 24 East, to test all formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation which are spaced on 320-acre spacing. Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 2 are to be dedicated to said well forming a standard 321.08-acre gas spacing and proration unit. Further, the applicant seeks an exception to Division General Rule 104.C(2) to allow the N/2 equivalent of Section 2 to be simultaneously dedicated in the Penasco Draw-Permo Pennsylvanian Gas Pool to the proposed well and to the existing Irish Hills "KW" State Well No. 2 located at a standard location 1980 feet from the North and East lines (Unit G) of said Section 2. Said unit is located approximately 11.5 miles west by south of Seven Rivers, New Mexico.

CASE 10543: (Continued from July 15, 1993, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Sanmal Queen Unit Agreement for an area comprising 440 acres, more or less, of State land in Sections 1 and 12, Township 17 South, Range 33 East, which is centered approximately 3 miles north of Buckeye, New Mexico.

CASE 10764: (Continued from July 15, 1993, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Saffron Unit Agreement for an area comprising 1,396.01 acres, more or less, of Federal and State lands in Sections 1, 2 and 3 of Township 23 South, Range 32 East, which is located approximately 24 miles west of Eunice, New Mexico.

CASE 10777: **Application of Texaco Exploration and Production, Inc. for special pool rules, Lea County, New Mexico.** Applicant seeks the promulgation of special rules and regulations for the North Teague-Ellenburger Pool including a provision for a special depth bracket allowable of 700 barrels of oil per day. Said pool is located in Township 23 South, Range 37 East, located 1 1/2 miles northeast of the United Carbon Co. Harkness Plant.

CASE 10778: **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 E/2 of Section 21, Township 29 North, Range 8 West. Said project area is located approximately 5 miles southwest of Navajo City, New Mexico.

CASE 10779: Application of Phillips Petroleum Company to qualify five portions of its East Vacuum Grayburg-San Andres Unit Pressure Maintenance Project 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 Recovered Oil Tax Rate, as promulgated by Division Order R-9708, qualifying five portions of its East Vacuum Grayburg-San Andres Unit Pressure Maintenance Project and located in various parts of the NW/4 of Section 5, Township 18 South, Range 35 East, and in Sections 32, 33, and 34, Township 17 South, Range 35 East, San Andres formation of the Vacuum Grayburg-San Andres 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 these portions of said project by means of a significant change in the process. Said project area is located approximately 14 miles east of Humble City, New Mexico.

CASE 10780: Application of Marathon Oil Company for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks approval of an unorthodox well location in the Basin Fruitland Coal Gas Pool for its proposed Bolack Well No. 9-3 to be drilled at an unorthodox well location 790 feet from the North line and 1710 feet from the West line (Unit C) of Section 9, Township 27 North, Range 11 West. Said well is to be dedicated to a 320-acre spacing unit consisting of the W/2 of Section 9. Said unit is located approximately 9 miles south of Bloomfield, New Mexico.

CASE 10781: Application of Marathon Oil Company for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks approval of an unorthodox well location in the Basin Fruitland Coal Gas Pool for its proposed Schwerdtfeger Well No. 17-2 to be drilled at an unorthodox well location 1605 feet from the South line and 1135 feet from the East line (Unit D) of Section 17, Township 27 North, Range 11 West. Said well is to be dedicated to a 320-acre spacing unit consisting of the E/2 of Section 17. Said unit is located approximately 9 miles south of Bloomfield, New Mexico.

CASE 10782: Application of Marathon Oil Company for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks approval of an unorthodox well location in the Basin Fruitland Coal Gas Pool for its proposed Bolack Well No. 9-4 to be drilled at an unorthodox well location 1700 feet from the South line and 1100 feet from the East line (Unit D) of Section 9, Township 27 North, Range 11 West. Said well is to be dedicated to a 320-acre spacing unit consisting of the E/2 of Section 9. Said unit is located approximately 9 miles south of Bloomfield, New Mexico.

CASE 10783: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating, redesignating, and extending vertical and horizontal limits of certain pools in Lea and Roosevelt Counties, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Bilbrey-Delaware Pool. The discovery well is the Manzano Oil Corporation Anderson Well No. 1 located in Unit L of Section 35, Township 21 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 35: SW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the North Diamondtail-Atoka Gas Pool. The discovery well is the Pogo Producing Company Red Tank 34 Federal Well No. 1 located in Unit B of Section 34, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 34: N/2

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Eight Mile Draw-Abo Pool. The discovery well is the Yates Petroleum Corporation Internorth ADG State Well No. 1 located in Unit A of Section 25, Township 11 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 25: NE/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Northwest Jenkins-Atoka Gas Pool. The discovery well is the Bright & Company Apache Well No. 1 located in Unit E of Section 5, Township 9 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 34 EAST, NMPM
Section 5: N/2

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the North Legg-Delaware Pool. The discovery well is the Mitchell Energy Corporation Comanche 17 State well No. 2 located in Unit H of Section 17, Township 21 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 33 EAST, NMPM

Section 17: NE/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for the Wolfcamp production and designated as the East Lovington-Wolfcamp Pool. The discovery well is the Nearburg Producing Company Western 17F State Well No. 1 located in Unit F of Section 17, Township 16 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 17: NW/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the South Pearl-San Andres Pool. The discovery well is the Manzano Oil Corporation Sims State Well No. 1 located in Unit M of Section 12, Township 20 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM

Section 12: SW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Glorieta and Paddock production and designated as the Southwest Teague Glorieta-Upper Paddock Pool. The discovery well is the Texaco Exploration & Production Inc. B. F. Harrison B. Well No. 8 located in Unit D of Section 9, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

Section 9: NW/4

- (i) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Mid Vacuum-Bone Spring Pool. The discovery well is the Yates Petroleum Corporation Nowata AGR State Well No. 1 located in Unit P of Section 9, Township 18 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 9: SE/4

- (j) EXTEND the vertical limits of the West Blinebry Pool in Lea County, New Mexico, to include the Lower Paddock formation.
- (k) EXTEND the vertical limits of the Cline-Blinebry Pool in Lea County, New Mexico, to include the Lower Paddock formation and redesignate the Cline-Blinebry Pool as the Cline Lower Paddock-Blinebry Pool.
- (l) EXTEND the vertical limits of the North Teague-Blinebry Gas Pool in Lea County, New Mexico, to include the Lower Paddock formation and redesignate the North Teague-Blinebry Gas Pool as the North Teague Lower Paddock-Blinebry Gas Pool.
- (m) Reclassify the West Nadine-Blinebry Pool in Lea County, New Mexico, as the West Nadine Paddock-Blinebry Pool.
- (n) EXTEND the Allison-Pennsylvanian Pool in Roosevelt County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM

Section 17: SW/4

- (o) EXTEND the South Baum-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 33 EAST, NMPM

Section 6: E/2 and SW/4

Section 7: NW/4

- (p) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 7: SE/4
Section 18: NE/4
- (q) EXTEND the Northwest Bootleg Ridge-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 11: E/2 and SW/4
- (r) EXTEND the Buffalo-Yates Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 2: SE/4
- (s) EXTEND the South Corbin-Morrow Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 20: NE/4
- (t) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 8: NE/4
- (u) EXTEND the Diamondtail-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 11: NW/4
- (v) EXTEND the Fairview Mills-Wolfcamp Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 3: S/2
- (w) EXTEND the South Fowler-Tubb Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM
Section 23: NW/4
- (x) EXTEND the Ceronimo-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 30: SW/4
- (y) EXTEND the Hat Mesa-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 32: N/2 and SW/4
- (z) EXTEND the Northeast Jenkins-Devonian Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 9 SOUTH, RANGE 35 EAST, NMPM
Section 20: NE/4

- (aa) EXTEND the East Lovington Ridge-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 15: SE/4
Section 16: NW/4
Section 17: SW/4
Section 18: E/2

- (bb) EXTEND the West Lovington-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 1: Lots 1, 2, 3, 4, 5, 6, 7 and 8

- (cc) EXTEND the North Lusk-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 32: NW/4

- (dd) EXTEND the Midway-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 8: SE/4

- (ee) EXTEND the Pearl-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 26: S/2

- (ff) EXTEND the Pearsall-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM

Section 31: NE/4

- (gg) EXTEND the Pitchfork Ranch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 1: N/2

- (hh) EXTEND the Quail Ridge-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 3: SE/4

- (ii) EXTEND the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 32: SW/4

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 6: SE/4

- (jj) EXTEND the Querecho Plains-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 26: NW/4

- (kk) EXTEND the Red Tank-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 25: SW/4

Section 26: W/2

Section 36: NW/4

- (ll) EXTEND the West Red Tank-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 23: S/2

Section 26: W/2

Section 27: SE/4

Section 28: E/2

- (mm) EXTEND the Teague-Blinbry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

Section 34: W/2

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 3: NW/4

- (nn) EXTEND the Tonto-Atoka Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 21: N/2

- (oo) EXTEND the West Tonto-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 1: NW/4

- (pp) EXTEND the South Tonto Yates-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 31: NE/4

- (qq) EXTEND the Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 32: NE/4

- (rr) EXTEND the Vacuum-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 1: W/2

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 6: NW/4 and SE/4

- (ss) EXTEND the Young-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 8: S/2

CASE 10784: 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 Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the West Bear Grass Draw-Atoka Gas Pool. The discovery well is the Amoco Production Co. Empire South Deep Unit Well No. 6 located in Unit P of Section 1, Township 18 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 1: S/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the North Brushy Draw-Delaware Pool. The discovery well is the Southwest Royalties North Brushy Draw 35 Federal Well No. 1 located in Unit G of Section 35, Township 25 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM

Section 35: NE/4

Section 36: W/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Southeast Carlsbad-Wolfcamp Gas Pool. The discovery well is the Collins and Ware, Inc. Happy Valley Federal Com Well No. 1 located in Unit G of Section 28, Township 22 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 28: N/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the East Cedar Lake-Morrow Gas Pool. The discovery well is the Texaco Exploration and Production, Inc. Dow "B" 33 Federal Well No. 1 located in Unit J of Section 33, Township 17 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 33: E/2

- (e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Crooked Creek-Atoka Gas Pool. The discovery well is the Yates Petroleum Corp. Lechuguilla Canyon AJ Federal Well No. 1 located in Unit O of Section 8, Township 24 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM

Section 8: S/2

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the North Hoag Tank-Strawn Gas Pool. The discovery well is the Yates Petroleum Corp. Rancherita AMH State Com Well No. 1 located in Unit N of Section 8, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 8: S/2

- (g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Illinois Camp-Bone Spring Pool. The discovery well is the Mewbourne Oil Co. Turkey Track "15" State Well No. 1 located in Unit E of Section 15, Township 18 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 15: W/2

- (h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Pennsylvanian production and designated as the South Indian Basin-Upper Pennsylvanian Gas Pool. The discovery well is the Yates Petroleum Corp. Bandana Federal Unit Well No. 1 located in Unit H of Section 20, Township 22 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM

Section 20: E/2

- (i) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the South Leo-Wolfcamp Pool. The discovery well is the Yates Petroleum Corp. Benson Deep Federal ET Com Well No. 1 located in Unit B of Section 33, Township 18 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 33: NE/4

- (j) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Southeast Quahada Ridge-Delaware Pool. The discovery well is the Enron Oil and Gas James Ranch Unit Well No. 19 located in Unit J of Section 36, Township 22 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM

Section 36: SE/4

- (k) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware (Brushy Canyon) production and designated as the Red Bluff-Brushy Canyon Pool. The discovery well is the Yates Petroleum Corp. Flower AGA State Well No. 1 located in Unit I of Section 3, Township 26 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 28 EAST, NMPM

Section 3: SE/4

- (l) EXTEND the Southeast Acme-San Andres Pool in Chaves County, New Mexico, to include therein;

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM

Section 11: SE/4

Section 12: SW/4

Section 14: NE/4

- (m) EXTEND the East Burton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein;

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM

Section 2: N/2

- (n) EXTEND the Cabin Lake-Delaware Pool in Eddy County, New Mexico, to include therein;

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM

Section 1: SE/4

- (o) EXTEND the East Catclaw Draw-Delaware Pool in Eddy County, New Mexico, to include therein;

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 16: NW/4

- (p) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein;

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM

Section 35: N/2

- (q) EXTEND the Coyote-Queen Pool in Chaves County, New Mexico, to include therein;
TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM
Section 20: SW/4
- (r) EXTEND the North Dagger Strawn-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 21: SW/4
- (s) EXTEND the Eagle Creek-Permo Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 15: S/2
Section 16: S/2
- (t) EXTEND the Esperanza-Delaware Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 10: S/2
Section 15: W/2
- (u) EXTEND the South Golden Lane-Delaware Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM
Section 8: SE/4
- (v) EXTEND the Grayburg Jackson-Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 17: NE/4
- (w) EXTEND the Greenwood-Bone Spring Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 12: NW/4
- (x) EXTEND the East Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 25: SW/4

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 2: SE/4
- (y) EXTEND the North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 36: S/2
- (z) EXTEND the Ingle Wells-Delaware Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 26: N/2 and SE/4
Section 35: NE/4

- (aa) EXTEND the Los Medanos-Delaware Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 17: SE/4
- (bb) EXTEND the Los Medanos-Morrow Gas Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 36: All
- (cc) EXTEND the South Loving-Delaware Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 16: NW/4
- (dd) EXTEND the Nash Draw Cherry Canyon Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM
Section 12: S/2
- (ee) EXTEND the South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein;
TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 6: NE/4
- (ff) EXTEND the Pine Lodge-Abo Gas Pool in Chaves County, New Mexico, to include therein;
TOWNSHIP 9 SOUTH, RANGE 22 EAST, NMPM
Section 7: SE/4
Section 18: E/2 and SW/4
- (gg) EXTEND the Race Track-Devonian Pool in Chaves County, New Mexico, to include therein;
TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 13: NE/4
- (hh) EXTEND the East Red Lake-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM
Section 27: N/2
- (ii) EXTEND the West Sand Dunes-Delaware Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 20: SE/4
Section 21: SW/4
Section 28: E/2
Section 33: NW/4
TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 5: NW/4
- (jj) EXTEND the Walters Lake-Bone Spring Pool in Eddy County, New Mexico, to include therein;
TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 2: SE/4

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

Dockets Nos. 22-93 and 23-93 are tentatively set for July 29, 1993 and August 12, 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 10750: (Readvertised)

Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant seeks approval of the Wagon Unit Agreement for an area comprising 4,844.60 acres of the State and Fee lands in portions of Townships 22 and 23 South, Ranges 22 and 23 East, which is centered approximately at the H-Bar-Y Ranch.

CASE 10751: (Readvertised)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Beartooth State Unit Agreement for an area comprising 2,468.72 acres, more or less, of State and Fee lands in Sections 22, 23, 26, 27, 34, and 35 of Township 26 South, Range 36 East, which is centered approximately 4 miles southwest of Bennett, New Mexico.

CASE 10763: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Sanmal Queen Unit Agreement for an area comprising 440 acres, more or less, of State land in Sections 1 and 12, Township 17 South, Range 33 East, which is centered approximately 3 miles north of Buckeye, New Mexico.

CASE 10764: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Saffron Unit Agreement for an area comprising 1,396.01 acres, more or less, of Federal and State lands in Sections 1, 2 and 3 of Township 23 South, Range 32 East, which is located approximately 24 miles west of Eunice, New Mexico.

CASE 10742: (Continued from July 1, 1993, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill to Sunflower "AHW" Federal Well No. 2 at a unorthodox location 660 feet from the North and East lines (Unit A) of Section 31, Township 19 South, Range 24 East. The N/2 of said Section 31 is to be dedicated to the well. Applicant further requests approval of the unorthodox location as to all prospective pools of formations including but not limited to the Abo, Wolfcamp, Cisco, Canyon, Strawn, Atoka and Morrow spaced on 320-acres. Said well is located approximately 8 miles south by southeast of Antelope Sink.

CASE 10747: (Readvertised)

Application of Nearburg Producing Company for salt water disposal, Eddy County, New Mexico. Applicant seeks authority to convert its M.H. Federal Well No. 1-1N located 660 feet from the South line and 1650 feet from the West line (Unit N) of Section 1, Township 22 South, Range 24 East, and utilize said well to dispose of produced salt water into the Cisco Canyon formation through the perforated interval from approximately 8219 feet to 8380 feet. Said well is located 1 mile east of Little Walt Spring.

CASE 10746: (Readvertised)

Application of Devon Energy Corporation for special pool rules, Eddy County, New Mexico. Applicant seeks the promulgation of special rules for the East Catclaw Draw-Delaware Pool located in Section 9, Township 21 South, Range 26 East, including a provision for a gas-oil ratio limitation of 6000 cubic feet of gas per barrel of oil. Said area is located approximately 3 miles east of Avalon Reservoir.

CASE 10541: (Reopened - Continued from July 1, 1993, Examiner Hearing.)

In the matter of Case 10541 being reopened pursuant to the provisions of Division Order No. R-9773, 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 present evidence and show cause why the foregoing Special Rules and Regulations should remain in effect.

CASE 10765: Application of Blackwood & Nichols Co., a Limited Partnership, for directional drilling and an unorthodox bottomhole Fruitland-Coal Gas Well location, Rio Arriba County, New Mexico. Applicant seeks authority to directionally drill its proposed Northeast Blanco Unit Well No. 479-R from a surface location 1170 feet from the North line and 2280 feet from the West line (Unit C) of Section 20, Township 30 North, Range 7 West, in such a manner as to bottom the well in the Basin-Fruitland Coal Gas Pool, at an unorthodox subsurface Coal Gas Well location within 50 feet of a point 100 feet from the North line and 590 feet from the West line (Unit D) of said Section 20. The W/2 of said Section 20 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 45 miles east of Farmington, New Mexico.

CASE 10670: (Reopened)

In the matter of Case 10670 being reopened upon the application of Maralo, Inc. to set an effective date for the temporary special rules and regulations for the Northeast Jenkins-Devonian Pool promulgated by Division Order No. R-9912. Division Order No. R-9912, issued in Case 10670 and dated June 15, 1993, granted the application of Maralo, Inc. for the creation of a new Devonian Pool and the promulgation of temporary special rules and regulations therefor including provisions for 80-acre spacing and special well location requirements. At this time, Maralo, Inc. requests the Division enter an order reopening Case 10670 and establishing an effective date of March 1, 1993 for the temporary special rules and regulations for this pool. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 10766: Application of David H. Arrington Oil & Gas Inc. for an unorthodox gas well location and non-standard gas spacing unit, Lea County, New Mexico. Applicant seeks authorization to drill a well at an unorthodox location 1980 feet from the North line and 1650 feet from the West line (Unit F) of Section 11, Township 21 South, Range 36 East, Eumont Gas Pool. Applicant also seeks authority to dedicate a non-standard spacing unit comprised of the SE/4 NW/4, S/2 NE/4 and the NW/4 SE/4 of said Section 11 to said well. Said unit is located approximately 1 mile east of Oil Center, New Mexico.

CASE 10556: (Reopened)

In the matter of Case 10556 being reopened pursuant to the provisions of Division Order R-9759, which order promulgated special pool rules and regulations for the Old Millman Ranch-Bone Spring Pool in Eddy County, New Mexico. In addition, Chi Energy Inc. seeks the designation of the subject pool as an "associated" oil and gas pool with Order No. R-9759 to be superseded by Order No. R-5353 (the Associated Oil and Gas Pool Rules) and amended to provide for 160-acre gas well spacing and 80-acre oil well spacing.

CASE 10767: Application of Santa Fe Energy Operating Partners, L.P. 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 all of Section 5, Township 22 South, Range 24 East, forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent. Said unit is to be dedicated to its reentry of the Discovery Operating Walt Canyon 5 Fed Well No. 1 at a standard location in said Section 5. Also to be considered will be the cost of reentering 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 reentering and completing said well. Said well is located approximately 2 miles south of the Tepee.

CASE 10768: Application of Santa Fe Energy Operating Partners, L.P. for compulsory pooling and an unorthodox well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation underlying all of Section 8, Township 22 South, Range 24 East, forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing unit within said vertical extent. Said unit is to be dedicated to its reentry of the Amoco Fed. Azotea Mesa Well No. 1-8 located 743 feet from the North line and 1055 feet from the West line of said Section 8. Also to be considered will be the cost of reentering 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 reentering and completing said well. Said well is located approximately 3 miles south of the Tepee.

CASE 10687: (Continued from July 1, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the following described areas in Section 17, Township 18 South, Range 28 East, and in the following manner: the E/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; and 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. Said unit is to be dedicated to its Illinois Camp "17" State Well No. 2, to be drilled at a standard 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles north of Illinois Camp.

CASE 10688: (Continued from July 1, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the following described areas in Section 31, Township 17 South, Range 28 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; and the SW/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 its Chalk Bluff "31" State Well No. 1, to be drilled at a standard 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 operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 1 mile southwest of the Baylor Triangulation Station.

CASE 10769: Application of H. L. Brown for an unorthodox oil well location, Roosevelt County, New Mexico. Applicant seeks approval to drill his Federal Well No. 27-2 to test the North Bluit Siluro-Devonian Pool at an unorthodox location 2590 feet from the South line and 330 feet from the West line (Unit L) of Section 27, Township 7 South, Range 37 East. The N/2 SW/4 of said Section 27 is to be dedicated to said well forming a standard 80-acre oil spacing and proration unit. Said unit is located approximately 10 miles east of Milnesand, New Mexico.

CASE 10770: Application of Bahlburg Exploration Inc. to amend Division Order No. R-8989, Lea County, New Mexico. Applicant seeks to amend Division Order No. R-8989 so that its Lowe "25" Well No. 1, which was drilled to test the Undesignated King-Devonian Pool at a previously approved unorthodox location 990 feet from the South line and 50 feet from the West line (Unit M) of Section 25, Township 13 South, Range 37 East, can be recompleted and produced in any shallower formation which is found to be productive, including but not limited to the King-Wolfcamp Pool. If the subject well is recompleted as an oil well, the NW/4 NW/4 (40 acres) will be dedicated to the well. Said well is located approximately 14 miles southeast of Tatum, New Mexico.

CASE 10771: 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.

CASE 10772: 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 10513: (Continued from June 17, 1993, Examiner Hearing.)

Application of Hanley Petroleum Inc. for determination of reasonable well costs, Lea County, New Mexico. Applicant, in the above-styled cause, as a working interest owner in the Santa Fe Energy Operating Partners, L.P. Kachina "8" Federal Well No. 2 located 1830 feet from the North line and 660 feet from the West line (Unit E) of Section 8, Township 18 South, Range 33 East, South Corbin-Wolfcamp Pool, which was drilled pursuant to the compulsory pooling provisions of Division Order Nos. R-9480, R-9480-A, and R-9480-B, all entered in Case Nos. 10211 and 10219, and to which is dedicated the W/4 NW/4 (Units D and E) of said Section 8, seeks an order ascertaining the reasonableness of actual well costs for the subject well. Said unit is located approximately 7.5 miles southeast by south of Maljamar, New Mexico.

Docket No. 21-93

DOCKET: COMMISSION HEARING - THURSDAY - JULY 22, 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

CASE 10498: (De Novo)

In the matter of Case No. 10498 being reopened upon application of Monty D. McLane to exempt certain working interests from the compulsory pooling provisions of Division Order No. R-9690, Lea County, New Mexico. Division Order No. R-9690, issued in Case 10498 and dated July 1, 1992, granted the application of Charles Gillespie to compulsorily pool all mineral interests from the surface to the base of the Strawn formation underlying Lot 3 of Section 1, Township 16 South, Range 35 East, forming a non-standard 51.08-acre oil spacing and proration unit. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. At this time Monty D. McLane requests the Division enter an order reopening Case No. 10498 and declare that the working interests of Henry H. Lawton and Amanda K. Parks are not subject to said Order No. R-9690. Upon application of Charles B. Gillespie Jr., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10653: (De Novo - Continued from May 27, 1993, Commission Hearing.)

Application of Armstrong Energy Corporation for special pool rules, Lea County, New Mexico. In the De Novo application, the applicant 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. Upon application of Armstrong Energy Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220. The amended application seeks the abolishment of the Quail Ridge-Delaware Pool located in a portion of Township 20 South, Range 34 East, and the concomitant extension of the Northeast Lea-Delaware Pool.

CASE 10773: 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 June 24, 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 June 24, 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.