

**DOCKET: EXAMINER HEARING - THURSDAY - JUNE 29, 1995**

8:15 A.M. - City Hall, City Commission Hearing Room

300 N. Turner, Hobbs, New Mexico

Dockets Nos 21-95 and 22-95 are tentatively set for July 13, 1995 and July 27, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. Please note, this Examiner Hearing will be held in Hobbs, New Mexico. The following cases will be heard by an Examiner:

**CASE 11275:** (Continued from May 4, 1995, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Sage Oil Company and all other interested parties to appear and show cause why the Gulf State Well No. 1, located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 30, Township 10 South, Range 27 East, Chaves County, New Mexico (which is approximately 1/4 mile south of U. S. Highway No. 380 at mile marker No. 172), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have said well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

**CASE NOS. 10869 and 10881:** Reopened

In the matter of Case Nos. 10869 and 10881 being reopened in accordance with provisions of Division Order No. R-10050, which amended the special pool rules and regulations for the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, providing for a limiting gas-oil ratio of 7,000:1 cubic feet of gas per barrel of oil. Operators in the subject pool may appear and present evidence and testimony regarding the continuation or the adjustment of the 7,000:1 gas-oil ratio limitation within the South Dagger Draw-Upper Pennsylvanian Associated Pool.

**CASE 11292:** (Continued from June 15, 1995, Examiner Hearing.)

**Application of Robert L. Bayless 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 NW/4 of Section 18, Township 24 North, Range 6 West, thereby forming a standard 160-acre spacing and proration unit for the Ballard-Pictured Cliffs 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles northwest of Counselor, New Mexico.

**CASE 11313:** **Application of Santa Fe Energy Resources, Inc. for a unit agreement, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval of the Falcon Federal Unit Agreement for an area comprising 4,800 acres, more or less, of Federal and State lands in Townships 23 and 24 South, Range 32 East. Said unit area is centered approximately 25 miles east by south of Loving, New Mexico.

**CASE 11314:** **Application of Santa Fe Energy Resources, Inc. for a unit agreement, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval of the Corral Canyon State Unit Agreement for an area comprising 2,238.88 acres, more or less, of State lands comprising the S/2 of Section 36, Township 24 South, Range 29 East and all of Sections 1, 2, and 12, Township 25 South, Range 29 East. Said unit area is centered approximately 9 miles southeast by east of Malaga, New Mexico.

**CASE 11315:** **Application of Mallon Oil Company for salt water disposal, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authority to convert its Mallon "34" Federal Well No. 1 (API No. 30-025-32787) located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 34, Township 19 South, Range 34 East, and utilize said well to dispose of produced salt water into the San Andres formation through the perforated interval from approximately 5947 feet to 6306 feet. Said well is located approximately 1.5 miles east of mile post No. 78 on U. S. Highway 62/180.

**CASE 11316:** **Application of Marathon Oil Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its Royal Well No. 1 at an unorthodox oil well location to test the Blinberry formation and Undesignated East Vacuum-Drinkard Pool 2310 feet from the South line and 1310 feet from the East line (Unit I) of Section 33, Township 17 South, Range 35 East. The NE/2 SE/4 of said Section 33 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for both intervals. Said unit is located approximately 3 miles east southeast of Buckeye, New Mexico.

**CASE 11317:** Application of Bonneville Fuels 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 South Humble City-Strawn Pool underlying the W/2 SW/4 of Section 13, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at an unorthodox oil well location 710 feet from the South line and 330 feet from the West line (Unit M) of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2.25 miles north of Humble City, New Mexico.

**CASE 11318:** Application of Bahlburg Exploration Inc., for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to drill its Lowe Well No. 2 at an unorthodox oil well location 2540 feet from the South line and 100 feet from the West line (Unit L) of Section 25, Township 13 South, Range 37 East. The NW/4 SW/4 of said Section 25 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Applicant further requests approval of the subject unorthodox location as to the King-Wolfcamp Pool, Undesignated King-Pennsylvanian Pool, and Undesignated King-Devonian Pool. Said unit is located approximately 11.5 miles southeast by east of Tatum, New Mexico.

**CASE 11319:** (This Case will be Continued to July 13, 1995, Examiner Hearing.)

Application of Sullivan and Company "3-D" Program I L.L.C. for directional drilling and an unorthodox bottomhole oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to drill its Lowe "25" Well No. 1 from an unorthodox surface location within the SW/ NW/4 (Unit E) of Section 25, Township 13 South, Range 37 East to an unorthodox bottomhole location within a 50 foot target area of a point 435 feet from the North line and 100 feet from the West line (also in Unit E) of said Section 25. The SW/4 NW/4 of said Section 25 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Applicant further requests approval of the subject unorthodox location as to the King-Wolfcamp Pool, Undesignated King-Pennsylvanian Pool, and Undesignated King-Devonian Pool. Said unit is located approximately 11.5 miles southeast by east of Tatum, New Mexico.

**CASE 11320:** Application of Ernie L. Hegwer Company to suspend injection operations on a portion of the Chevron U. S. A. Inc. Eunice Monument South Unit Waterflood Project, Lea County, New Mexico. Applicant, in the above-styled cause, as owner of a certain lease in Section 35, Township 20 South, Range 37 East and operator of the Bay Federal Well No. 3, located 660 feet from the North and West lines (Unit D) of said Section 35, seeks to suspend injection operations on a portion of the Eunice Monument South Unit Waterflood Project operated by Chevron U. S. A. Inc. and located in Townships 20 and 21 South, Ranges 36 and 37 East, Eunice Monument Grayburg San Andres Pool. The Bay Federal Well No. 3 is located approximately 5 miles northwest by west of Oil Center, New Mexico.

**CASE 11321:** Application of Coastal Management Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location in the Southwest Gladiola-Devonian Pool to be drilled 642 feet from the South line and 2434 feet from the East line (Unit O) of Section 27, Township 12 South, Range 37 East. The W/2 SE/4 of said Section 27 is to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 7.5 miles east by south of Tatum, New Mexico.

**CASE 11283:** (Continued from June 15, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for an amendment to Division Order No. R-9976-A authorizing a location change of a certain unorthodox infill gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9976-A, which order authorized the applicant to infill drill the Pecos Slope-Abo (unprorated) Gas Pool within a portion of Townships 5, 6, and 7 South, Ranges 25 and 26 East, by changing the location approved by said order of its Catterson "SS" Federal Well No. 7, which has already been drilled, to reflect its current position 2310 feet from the South line and 660 feet from the East line (Unit I) of Section 33, Township 7 South, Range 26 East. Said well is located approximately 14 miles west of Elkins, New Mexico.

**CASE 11322:** Application of Yates Petroleum Corporation for underground gas storage, Chaves County, New Mexico. Applicant, in the above styled-cause, seeks approval to re-inject produced San Andres gas into the Undesignated Southeast Acme-San Andres Pool as part of its Trailblazer Gas Storage Project through its existing Trailblazer "ANL" Well No. 2, located 2310 feet from the North line and 330 feet from the East line, in the SE/4 NE/4 (Unit H) of Section 11, Township 8 South, Range 27 East. Said well is located approximately 7 miles southwest by west of Elkins, New Mexico.

**CASE 11323:** Application of Stevens & Tull, Inc. for an exception to the casing requirements of Division Order No. R-111-P, Lea County, New Mexico. Applicant, in the above styled-cause, seeks authority to delete the salt protection string requirements of Division Order No. R-111-P in the "Oil-Potash Area" from its proposed Federal "9" Well No. 7 to be drilled 2310 feet from the South line and 990 feet from the East line (Unit I) of Section 9, Township 20 South, Range 33 East, to test the West Teas-Yates Seven Rivers Pool. Said well site is located approximately one mile north of U. S. Highway 62/180 at mile post No. 72.

**CASE 11324:** (This Case will be Continued to July 13, 1995, Examiner Hearing.)

Application of Texaco Exploration and Production Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, a non-standard oil proration unit, and a special project allowable, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the West Lindrith Gallup-Dakota Oil Pool underlying Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of irregular Section 31, Township 25 North, Range 3 West, to form a non-standard 335.93-acre oil spacing and proration unit for said pool. The applicant proposes to re-complete the existing L. L. McConnell Well No. 13, located at a standard surface location 970 feet from the South line and 1800 feet from the West line (Unit N) of said Section 31, by kicking-off from vertical in an easterly direction commencing to build angle at an appropriate rate to horizontally traverse the proposed producing area. Further, the applicant seeks the promulgation of special operating rules and procedures therefor including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 790 feet to the outer boundary of the project area, and for a special project allowable. Said area is located approximately 8.5 miles west-northwest of Lindrith, New Mexico.

**CASE 11325:** (This Case will be Continued to July 13, 1995, Examiner Hearing.)

Application of Texaco Exploration and Production Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, a non-standard oil proration unit, and a special project allowable, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the West Lindrith Gallup-Dakota Oil Pool underlying the S/2 of Section 17, Township 25 North, Range 3 West, to form a non-standard 320-acre oil spacing and proration unit for said pool. The applicant proposes to re-complete the existing C. W. Roberts Well No. 4, located at a previously approved unorthodox surface oil well location (Division Administrative Order NSL-626) 660 feet from the South and West lines (Unit M) of said Section 17, by kicking-off from vertical in an easterly direction commencing to build angle at an appropriate rate to horizontally traverse the proposed producing area. Further, the applicant seeks the promulgation of special operating rules and procedures therefor including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 660 feet to the outer boundary of the project area, and for a special project allowable. Said area is located approximately 9 miles northwest of Lindrith, New Mexico.

**CASE 11326:** (This Case will be Continued to July 13, 1995, Examiner Hearing.)

Application of Texaco Exploration and Production Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, a non-standard oil proration unit, simultaneous dedication, and a special project allowable, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the West Lindrith Gallup-Dakota Oil Pool underlying the S/2 of Section 21, Township 25 North, Range 3 West, to form a non-standard 320-acre oil spacing and proration unit for said pool. The applicant proposes to re-complete the existing Jicarilla "C" Well No. 35, located at a standard surface location 1850 feet from the South line and 1190 feet from the West line (Unit L) of said Section 21, by kicking-off from vertical in an easterly direction commencing to build angle at an appropriate rate to horizontally traverse the proposed producing area. Further, the applicant seeks the promulgation of special operating rules and procedures therefor including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 790 feet to the outer boundary of the project area. The applicant also requests the assignment of a special project allowable for the proposed oversized oil spacing and proration unit to be simultaneously dedicated to both the Jicarilla "C" Well No. 35 and to the Jicarilla "C" Well No. 26, located at a standard oil well location 1850 feet from the South line and 790 feet from the East line (Unit I) of said Section 21. Said area is located approximately 7.5 miles northwest of Lindrith, New Mexico.

**CASE 11327:** Application of Merrion Oil & Gas Corporation for a high angle/horizontal directional drilling pilot project and for the promulgation of special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the designated and Undesignated Snake Eyes-Entrada Oil Pool underlying a single fee lease comprising all or portions of Sections 19, 20, and 21, Township 21 North, Range 8 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said project area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said area is located approximately 16 miles south by east of Nageesi, New Mexico.

**CASE 11328:** Application of Merrion Oil & Gas Corporation for a high angle/horizontal directional drilling pilot project and for the promulgation of special operating rules therefor, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Media-Entrada Oil Pool within its proposed Media Entrada Secondary (Federal) Unit comprising portions of Sections 14, 15, 22, and 23, Township 19 North, Range 3 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said Unit Area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said area is located approximately 14 miles southwest of Cuba, New Mexico.

**CASE 11329:** Application of Merrion Oil & Gas Corporation to amend Division Order No. R-9079, to extend the horizontal limits of the existing high angle/horizontal directional drilling pilot project area, and to adopt additional special operating rules therefor, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-9079 by extending the project area approved therein to include the N/2 NW/4, SE/4 NW/4, NE/4 SW/4, and S/2 SW/4 of Section 15 and the SE/4 NE/4 and NE/4 SE/4 of Section 16, of Township 19 North, Range 5 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said Cooperative Area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said area is located approximately 22 miles northwest of San Luis, New Mexico.

**CASE 11270:** (Continued from June 15, 1995, Examiner Hearing.)

Application of Maralo, Inc. 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 Morrow formation underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 3, Township 19 South, Range 28 East, thereby forming a 320.90-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Millman-Wolfcamp Gas Pool, Undesignated Millman-Atoka Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and Undesignated Millman-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 the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles east-southeast of the old Illinois Oil Camp.

**CASE 11330:** Application of Meridian Oil Inc. for downhole commingling, a non-standard gas proration unit, dual completion, and an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional East Blanco-Pictured Cliffs Pool gas production with coal gas production from the Basin-Fruitland Coal (Gas) Pool and to dual said commingled production with gas production from the Blanco-Mesaverde Pool within the wellbore of its San Juan "30-4" Unit Well No. 40 to be drilled at an unorthodox gas well location for all three zones 2450 feet from the South line and 2270 feet from the East line (Unit J) of Section 21, Township 30 North, Range 4 West. The E/2 of said Section 21 is to be dedicated to said well in all three zones thereby forming a standard 320-acre gas spacing and proration unit in the Basin-Fruitland Coal (Gas) Pool and Blanco-Mesaverde Pool and a non-standard unit for the East Blanco-Mesaverde Pool. Said unit is located approximately 18 miles southwest of Dulce, New Mexico.

**CASE 11297:** (Continued from June 15, 1995, Examiner Hearing.)

Application of Exxon Corporation for a waterflood project, qualification for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" for said project, and for 18 non-standard oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute a waterflood project in the designated and Undesignated Avalon-Delaware Pool within its proposed Avalon Delaware Unit Area (being the subject of Case No. 11298) located in portions of Townships 20 and 21 South, Ranges 27 and 28 East, by the injection of water through 18 new wells to be drilled as injection wells and one well to be converted from a producing oil well to an injection well. Applicant further seeks to qualify this project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Applicant further seeks approval to drill 18 new producing wells throughout the project area at locations considered to be unorthodox. The proposed unit area is centered approximately 8 miles north of Carlsbad, New Mexico.

**CASE 11298:** (Continued from June 15, 1995, Examiner Hearing.)

**Application of Exxon Corporation for statutory unitization, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a waterflood project, all mineral interests in the designated and Undesignated Avalon-Delaware Pool underlying its proposed Avalon Delaware Unit Area encompassing some 2,140.14 acres, more or less, of Federal, State, and Fee lands comprising portions of Sections 25 and 35, Township 20 South, Range 27 East, all or portions of Sections 29, 30, 31, and 32, Township 20 South, Range 28 East, and portions of Sections 4, 5, and 6, Township 21 South, Range 28 East. Among the matters to be considered at the hearing, pursuant to the "New Mexico Statutory Unitization Act", Sections 70-7-1 et. seq., NMSA, will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investments, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to unit voting procedures, selection, removal or substitution of the unit operator, and time of commencement and termination of unit operations. Said unit area is centered approximately 8 miles north of Carlsbad, New Mexico.

**DOCKET: COMMISSION HEARING - THURSDAY - JULY 6, 1995**

**9:00 A.M. - 2040 SOUTH PACHECO**

**SANTA FE, NEW MEXICO**

**The Land Commissioner's designee for this hearing will be Jami Bailey**

**CASE 11233:** (De Novo)

**Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the SW/4 of Section 13, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Fairchild "13" Well No. 2 to be drilled at a standard location in the SE/4 SW/4 (Unit N) of said Section 13. 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 Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4.5 miles west-northwest of Lakewood, New Mexico. Upon the application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 11234:** (De Novo)

**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 SW/4 of Section 13, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4.5 miles west-northwest of Lakewood, New Mexico. Upon the application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

**CASE 10280:** (De Novo and Continued from April 27, 1995, Commission Hearing.)

In the matter of Case No. 10280 being reopened pursuant to the provisions of Division Order Nos. R-9594 and R-9594-A, which orders promulgated temporary special rules and regulations for the Milnesand-Abo Pool in Lea and Roosevelt Counties, New Mexico, including a provision for 80-acre spacing. Operators in the subject pool may appear and show cause why said spacing pool rules should not be rescinded and why the Milnesand-Abo Pool should not be developed on other than 40-acre spacing and proration units. Upon the application of Petroleum Production Management, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

**DOCKET: EXAMINER HEARING - THURSDAY - JUNE 15, 1995**

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 19-95 and 20-95 are tentatively set for June 29, 1995 and July 13, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. Please note, the Examiner Hearing scheduled for June 29, 1995 will be held in Hobbs, New Mexico - actual location not yet determined. The following cases will be heard by an Examiner:

**CASE 11301:** Application of Elk Oil Company for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, as operator of the South Lone Wolf Unit (approved by Division Order No. R-9683), comprising portions of Sections 19, 20, 29, 30, 31, and 32, Township 13 South, Range 29 east, now seeks approval to drill its South Lone Wolf Unit Well No. 2 at an unorthodox oil well location that is considered to be at a more structurally advantageous position within the Undesignated Southwest Lone Wolf-Devonian Pool 600 feet from the South line and 1200 feet from the West line (Unit M) of said Section 29. The SW/4 SW/4 of said Section 29 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit for said pool. Said Unit Area is located approximately 16 miles east by north of Hagerman, New Mexico. **IN THE ABSENCE OF OBJECTION THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 11292:** (Continued from June 1, 1995, Examiner Hearing.)

Application of Robert L. Bayless 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 NW/4 of Section 18, Township 24 North, Range 6 West, thereby forming a standard 160-acre spacing and proration unit for the Ballard-Pictured Cliffs 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles northwest of Counselor, New Mexico.

**CASE 11302:** Application of Meridian Oil Inc. for downhole commingling, unorthodox gas well locations and two non-standard gas proration units, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Wildcat Gallup Pool and Blanco-Mesaverde Gas Pool production within its existing Carson Well No. 2 located at an unorthodox gas well location for both producing intervals 1470 feet from the South line and 810 feet from the West line (Unit K) of Irregular Section 7, Township 30 North, Range 4 West. A 109.29-acre non-standard gas spacing and proration unit comprising Lots 3 and 4 and the E/2 SW/4 (SW/4 equivalent) and a 218.30-acre non-standard gas spacing and proration unit comprising Lots 1, 2, 3 and 4 and the E/2 W/2 (W/2 equivalent) of said Irregular Section 7 are to be established and dedicated to the Carson Well No. 2 in the Gallup and Mesaverde formations, respectively. Said well is located approximately 18 miles southwest of Dulce, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 11266:** (Continued from June 1, 1995, Examiner Hearing.)

Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the following described acreage in Section 32, Township 17 South, Range 27 East, and in the following manner: the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Jennings Spring-Wolfcamp Gas Pool, Undesignated Logan Draw-Cisco/Canyon Gas Pool, Undesignated Red Lake-Pennsylvanian Gas Pool, Undesignated West Logan Draw-Morrow Gas Pool, and Undesignated Logan Draw-Morrow Gas Pool; the NE/4 to form 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 NW/4 NE/4 to form 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 which presently includes but is not necessarily limited to the Undesignated Red Lake Queen-Grayburg-San Andres Pool, Undesignated Empire-Abo Pool, and Undesignated Chalk Bluff-Wolfcamp Pool. Said units are to be dedicated to a single well to be drilled and completed at a standard location in Unit "B" of said Section 32. 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 Nearburg Producing Company as the operator of the well, and a charge for risk involved in drilling said well. Said well location is approximately 2.5 miles south of Riverside, New Mexico.

**CASE 11303:** Application of Santa Fe Energy Resources Inc. for Compulsory Pooling and a non-standard gas proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Section 7, Township 23 South, Range 29 East, thereby forming a non-standard 308.83-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Laguna Salado-Atoka Gas Pool and the Undesignated South Culebra Bluff-Atoka Gas Pool. Said unit is to be dedicated to the proposed H. F. "7" Fed. Com. Well No. 1 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 the risk involved in drilling said well. Said unit is located approximately 5 miles Northeast of Loving, New Mexico.

**CASE 11304:** Application of Devon Energy Corporation (Nevada) for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its Avalon 8 "A" Federal Com. Well No. 1 at an unorthodox gas well location 710 feet from the North line and 660 feet from the East line (Unit A) of Section 8, Township 21 South, Range 26 East, to test the Morrow formation, Avalon-Morrow Gas Pool. The E/2 of said Section 8 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately seven miles Northwest of Carlsbad, New Mexico.

**CASE 11305:** Application of Devon Energy Corporation (Nevada) for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules and regulations for the East Catclaw Draw-Delaware Pool, which comprises all or parts of Sections 9 and 16, Township 21 South, Range 26 East, including the assignment of a special depth bracket oil allowable of 150 barrels of oil per day pursuant to Division General Rule No. 505(D). Said pool is located approximately 6 miles northwest of Carlsbad, New Mexico.

**CASE 11291:** (Readvertised)

Application of Enron Oil & Gas Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Diamond "7" Federal Well No. 5 at an unorthodox oil well location 160 feet from the North line and 2540 feet from the East line (Unit B) of Section 7, Township 25 South, Range 34 East, Red Hills-Bone Spring Pool. The N/2 NE/4 of Section 7 is to be dedicated to the subject well forming a standard 80-acre oil spacing and proration unit. Said unit is located approximately 16 miles west of Jal, New Mexico.

**CASE 11287:** (Continued from June 1, 1995, Examiner Hearing.)

Application of Nearburg Exploration Company for compulsory pooling, directional drilling, and an unorthodox bottomhole oil well location, 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 Strawn formation underlying the N/2 NW/4 of Section 13, Township 17 South, Range 37 East, to form 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 Humble City-Strawn Pool. Said unit is to be dedicated to its Shriner "13" Well No.1 to be directionally drilled from a surface location 600 feet from the North line and 830 feet from the West line (Unit D) of said Section 13, to an unorthodox bottomhole oil well location within 50 feet of a point 330 feet from the North line and 2130 feet from the West line (Unit C) of said Section 13. 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 the applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles west of Knowles, New Mexico.

**CASE 11306:** Application of Marbob Energy Corporation for directional drilling and an unorthodox bottomhole oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its plugged and abandoned Leaping Lizard Federal Well No. 1 located 421 feet from the North line and 2381 feet from the West line (Unit C) of Section 4, Township 14 South, Range 29 East, wherein the applicant proposes to kick-off from the vertical and directionally drill the subject well in a northeasterly direction to an unorthodox bottomhole location in the Undesignated South Lone Wolf-Devonian Pool within 50 feet of a point 300 feet from the North line and 2610 feet from the West line of Section 4. The NE/4 NW/4 of Section 4 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said well is located approximately seventeen miles east of Hagerman, New Mexico.

**CASE 11307:** Application of Marbob Energy Corporation for directional drilling and an unorthodox bottomhole oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its temporarily abandoned Marathon Federal Well No. 2 located 1650 feet from the North line and 1980 feet from the West line (Unit F) of Section 33, Township 13 South, Range 29 East, wherein the applicant proposes to kick-off from the vertical and directionally drill the subject well in a northwesterly direction to an unorthodox bottomhole location in the South Lone Wolf-Devonian Pool within 50 feet of a point 1353 feet from the North line and 1914 feet from the West line of Section 33. The SE/4 NW/4 of Section 33 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said well is located approximately seventeen miles northeast of Hagerman, New Mexico.



**CASE 11270:** (Continued from June 1, 1995, Examiner Hearing.)

**Application of Maralo, Inc. 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 Morrow formation underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 3, Township 19 South, Range 28 East, thereby forming a 320.90-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Millman-Wolfcamp Gas Pool, Undesignated Millman-Atoka Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and Undesignated Millman-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 the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles east-southeast of the old Illinois Oil Camp.

**CASE 11308:** **Application of Manzano Oil Corporation for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to drill its Manzano "SV" Bobwhite Federal Well No. 1 as a wildcat well to the Devonian formation at an unorthodox oil well location 2355 feet from the South line and 400 feet from the West line (Unit L) of Section 4, Township 19 South, Range 34 East. The NW/4 SW/4 of Section 4 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 9 miles southwest of Buckeye, New Mexico.

**CASE 11227:** Continued from May 18, 1995, Examiner Hearing.

**Application of PermOK Oil, Inc. for a non-standard gas proration unit, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to establish a non-standard 80-acre gas spacing and proration unit in the Undesignated Rhodes Yates-Seven Rivers Gas Pool comprising the N/2 NW/4 of Section 23, Township 26 South, Range 37 East, being approximately 6.5 miles southeast by south of Jal, New Mexico. Said unit is to be dedicated to its proposed Leonard Brothers "A" Federal Well No. 2 to be drilled at a standard gas well location 660 feet from the North and West lines (Unit D) of said Section 23.

**CASE 11309:** **Application of AnSon Gas Corporation for directional drilling and an unorthodox bottomhole oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authority to re-enter the plugged and abandoned Nearburg Byers "12L" Well No. 1 located 1980 feet from the South line and 810 feet from the West line (Unit L) of Section 12, Township 17 South, Range 37 East, wherein the applicant proposes to directionally drill the subject well in a southeasterly direction to an unorthodox bottomhole location within 50 feet of a point 1650 feet from the South line and 900 feet from the West line of Section 12 to test the Strawn formation, Undesignated South Humble City-Strawn Pool. The N/2 SW/4 of Section 12 is to be dedicated to the well forming a standard 80-acre oil spacing and proration unit. Said well is located approximately 3 1/2 miles north of Humble City, New Mexico.

**CASE 11194:** (Readvertised)

**Application of Gillespie-Crow, Inc. for approval of a pressure maintenance project and qualification for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to institute a pressure maintenance project in the designated and Undesignated West Lovington-Strawn Pool within its proposed West Lovington Strawn Unit Area (being the subject of Case No. 11195) located in portions of Townships 15 and 16 South, Ranges 35 and 36 East, by the injection of natural gas through the perforated interval from approximately 11,424 feet to 11,434 feet into its existing Speight Fee Well No. 1 located 660 feet from the North line and 2310 feet from the West line (Lot 3/Unit C) of Section 1, Township 16 South, Range 35 East. Applicant further seeks to qualify this project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

**CASE 11195:** (Readvertised)

**Application of Gillespie-Crow, Inc. for statutory unitization, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a pressure maintenance project, all mineral interests in the designated and Undesignated West Lovington-Strawn Pool underlying its proposed West Lovington Strawn Unit Area encompassing some 1458.95-acres, more or less, of Federal, State, and Fee lands comprising all of Section 33 and the W/2 of Section 34 of Township 15 South, Range 35 East, a portion of Section 1, Township 16 South, Range 35 East, and a portion of Section 6, Township 16 South, Range 36 East. Among the matters to be considered at the hearing, pursuant to the "New Mexico Statutory Unitization Act", Sections 70-7-1 et. seq., NMSA, will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investments, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to unit voting procedures, selection, removal or substitution of the unit operator, and time of commencement and termination of unit operations. Said unit area is centered approximately 4.5 miles West-Northwest of Lovington, New Mexico.

**CASE 11283:** (Continued from June 1, 1995, Examiner Hearing.)

**Application of Yates Petroleum Corporation for an amendment to Division Order No. R-9976-A authorizing a location change of a certain unorthodox infill gas well location, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks to amend Division Order No. R-9976-A, which order authorized the applicant to infill drill the Pecos Slope-Abo (unprorated) Gas Pool within a portion of Townships 5, 6, and 7 South, Ranges 25 and 26 East, by changing the location approved by said order of its Catterson "SS" Federal Well No. 7, which has already been drilled, to reflect its current position 2310 feet from the South line and 660 feet from the East line (Unit I) of Section 33, Township 7 South, Range 26 East. Said well is located approximately 14 miles west of Elkins, New Mexico.

**CASE 11297:** (Continued from June 1, 1995, Examiner Hearing.)

**Application of Exxon Corporation for a waterflood project, qualification for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" for said project, and for 18 non-standard oil well locations, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval to institute a waterflood project in the designated and Undesignated Avalon-Delaware Pool within its proposed Avalon Delaware Unit Area (being the subject of Case No. 11298) located in portions of Townships 20 and 21 South, Ranges 27 and 28 East, by the injection of water through 18 new wells to be drilled as injection wells and one well to be converted from a producing oil well to an injection well. Applicant further seeks to qualify this project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Applicant further seeks approval to drill 18 new producing wells throughout the project area at locations considered to be unorthodox. The proposed unit area is centered approximately 8 miles north of Carlsbad, New Mexico.

**CASE 11298:** (Continued from June 1, 1995, Examiner Hearing.)

**Application of Exxon Corporation for statutory unitization, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a waterflood project, all mineral interests in the designated and Undesignated Avalon-Delaware Pool underlying its proposed Avalon Delaware Unit Area encompassing some 2,140.14 acres, more or less, of Federal, State, and Fee lands comprising portions of Sections 25 and 35, Township 20 South, Range 27 East, all or portions of Sections 29, 30, 31, and 32, Township 20 South, Range 28 East, and portions of Sections 4, 5, and 6, Township 21 South, Range 28 East. Among the matters to be considered at the hearing, pursuant to the "New Mexico Statutory Unitization Act", Sections 70-7-1 et. seq., NMSA, will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investments, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to unit voting procedures, selection, removal or substitution of the unit operator, and time of commencement and termination of unit operations. Said unit area is centered approximately 8 miles north of Carlsbad, New Mexico.

**CASE 11288: (Continued from June 1, 1995, Examiner Hearing.)**

**Application of Dalen Resources Oil & Gas Company for salt water disposal, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authority to drill a well 760 feet from the South line and 330 feet from the East line (Unit P) of Section 2, Township 25 South, Range 26 East, and utilize said well to dispose of produced salt water into the Bell Canyon member of the Delaware formation through the perforated interval from approximately 2,304 feet to 2,428 feet. This unit is approximately 6.5 miles east of Whites City, New Mexico.

**CASE 11310: 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 16, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent which presently includes but is not necessarily limited to the North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles northwest of Lakewood, New Mexico.

**CASE 11311: Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above styled-cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the SE/4 of Section 16, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160 acre spacing within said vertical extent which presently includes but is not necessarily limited to the North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles northwest of Lakewood, New Mexico.

**CASE 11312: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico:**

- (a) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Ensenada-Gallup Pool. The discovery well is the Meridian Oil Inc. Klein Well No. 28E located in Unit C of Section 33, Township 26 North, Range 6 West, NMPM. Said pool would comprise:

**TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM**

Section 33: NW/4

- (b) CREATE a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Graneros production, and designated as the Lybrook-Graneros Oil Pool. The discovery well is the BCO, Inc. State H Well No. 4 located in Unit D of Section 2, Township 23 North, Range 7 West, NMPM. Said pool would comprise:

**TOWNSHIP 23 NORTH, RANGE 7 WEST, NMPM**

Section 2: NW/4 NW/4

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

**TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM**

Section 17: E/2

- (d) EXTEND the Largo-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

**TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM**

Section 3: N/2

**TOWNSHIP 27 NORTH, RANGE 7 WEST, NMPM**

Section 34: S/2

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

**TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM**

Section 17: NE/4

**DOCKET: EXAMINER HEARING - THURSDAY - JUNE 1, 1995**

8:15 A.M. - 2040 South Pacheco  
Santa Fe, New Mexico

Dockets Nos 18-95 and 19-95 are tentatively set for June 15, 1995 and June 29, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. Please note, the Examiner Hearing scheduled for June 29, 1995 will be held in Hobbs, New Mexico - actual location not yet determined. The following cases will be heard by an Examiner:

**CASE 11275:** (Continued from May 4, 1995, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Sage Oil Company and all other interested parties to appear and show cause why the Gulf State Well No. 1, located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 30, Township 10 South, Range 27 East, Chaves County, New Mexico (which is approximately 1/4 mile south of U. S. Highway No. 380 at mile marker No. 172), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have said well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

**CASE 11287:** Application of Nearburg Exploration Company for compulsory pooling, directional drilling, and an unorthodox bottomhole oil well location, 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 Strawn formation underlying the N/2 NW/4 of Section 13, Township 17 South, Range 37 East, to form 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 Humble City-Strawn Pool. Said unit is to be dedicated to its Shriner "13" Well No. 1 to be directionally drilled from a surface location 600 feet from the North line and 830 feet from the West line (Unit D) of said Section 13, to an unorthodox bottomhole oil well location within 50 feet of a point 330 feet from the North line and 2130 feet from the West line (Unit C) of said Section 13. 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 the applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles west of Knowles, New Mexico.

**CASE 11288:** Application of Dalen Resources Oil & Gas Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well 760 feet from the South line and 330 feet from the East line (Unit P) of Section 2, Township 25 South, Range 26 East, and utilize said well to dispose of produced salt water into the Bell Canyon member of the Delaware formation through the perforated interval from approximately 2,304 feet to 2,428 feet. This unit is approximately 6.5 miles east of Whites City, New Mexico.

**CASE 11289:** Application of Burro Pipeline Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert its G. S. Well No. 1 located 2086 feet from the North line and 1874 feet from the East line (Unit G) of Section 8, Township 11 South, Range 33 East, to a disposal well with injection of produced salt water into the North Bagley Permo-Pennsylvanian Pool, through the perforated interval from approximately 9,100 feet to 10,354 feet. Said well is located approximately 4.5 miles southeast of Caprock, New Mexico.

**CASE 11290:** Application of Collins & Ware, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its T. D. Pope Well No. 32 at an unorthodox oil well location 102 feet from the North line and 1430 feet from the East line (Unit B) of Section 35, Township 14 South, Range 37 East, Denton-Devonian Pool. The NW/4 NE/4 of Section 35 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 3 miles southeast of Prairieview, New Mexico.

**CASE 11270:** (Continued from May 18, 1995, Examiner Hearing.)

Application of Maralo, Inc. 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 Morrow formation underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 3, Township 19 South, Range 28 East, thereby forming a 320.90-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Millman-Wolfcamp Gas Pool, Undesignated Millman-Atoka Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and Undesignated Millman-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 the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles east-southeast of the old Illinois Oil Camp.

**CASE 11281:** (Continued from May 18, 1995, Examiner Hearing.)

Application of Maralo, Inc. 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 Bone Spring formation, underlying the SE/4 NW/4 (Unit F) of Section 4, Township 24 South, Range 29 East, forming a standard 40-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. 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 5 miles east-northeast of Malaga, New Mexico.

**CASE 11291:** Application of Enron Oil & Gas Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Diamond "7" Federal Well No. 5 at an unorthodox oil well location 660 feet from the North line and 2540 feet from the East line (Unit B) of Section 7, Township 25 South, Range 34 East, Red Hills-Bone Spring Pool. The N/2 NE/4 of Section 7 is to be dedicated to the subject well forming a standard 80-acre oil spacing and proration unit. Said unit is located approximately 18 miles west of Jal, New Mexico.

**CASE 11292:** Application of Robert L. Bayless 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 NW/4 of Section 18, Township 24 North, Range 6 West, thereby forming a standard 160-acre spacing and proration unit for the Ballard-Pictured Cliffs 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles northwest of Counselor, New Mexico.

**CASE 11285:** (Continued from May 18, 1995, Examiner Hearing.)

Application of Conoco, Inc. for approval to amend a previously approved waterflood project, for modifying its injection pattern, for infill drilling, for twelve unorthodox oil well locations and for certain administrative procedures, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to convert its Warren-Blinbry Tubb Waterflood Project from an 80-acre to a 40-acre five spot injection pattern including the drilling of the first twelve "infill" producing wells at unorthodox well locations within said project. Applicant further seeks an administrative procedure for drilling additional infill producing wells at unorthodox well locations and the conversion of producers to injection wells within the Warren-Blinbry Tubb Unit for production from and injection into the Warren Blinbry-Tubb Oil and Gas Pool, all within portions or all of Sections 20 through 22, 26 through 29, and 33 through 35, all in Township 20 South, Range 38 East. Said project is located approximately 5.5 miles south-southwest of Nadine, New Mexico.

**CASE 11293:** Application of Conoco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle production from the North Justis-Abo Pool with its previously approved downhole commingled production from the Justis-Blinbry Pool and the Justis Tubb-Drinkard Pool (Administrative Order DHC-886) within the wellbore of its State A-2 Well No. 4 located 2130 feet from the South line and 1980 feet from the East line (Unit J) of Section 2, Township 25 South, Range 37 East. Said well is dedicated to a standard 40-acre spacing and proration unit consisting of the NW/4 SE/4 of said Section 2. Applicant further seeks an exception to Rule 303 (F), thereby continuing to utilize a gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil and a resulting casinghead gas allowable of 642 MCF gas per day. Said well is located is approximately 5 miles northeast of Jal, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 11262:** (Continued from May 4, 1995, Examiner Hearing.)

Application of Texaco Exploration and Production, Inc. for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the South Sand Dunes-Bone Spring Pool including a provision for a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil. Said pool currently comprises portions of Sections 29, 30, 31, and 32, of Township 23 South, Range 32 East, and is located on the Lea/Eddy County line approximately 2 miles north of State Highway No. 128.

**CASE 11294:** **Application of Santa Fe Energy Resources, Inc. for compulsory Pooling, 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 underlying the W/2 of Section 27, Township 21 South, Range 33 East, NMPM, for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Legg Atoka-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox location 1,980 feet from the South line and 660 feet from the West line of the Section. 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 the risk involved in drilling said well. Said unit is located approximately 23.5 miles West-Northwest of Eunice, New Mexico.

**CASE 11266:** **(Continued from May 18, 1995, Examiner Hearing.)**

**Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the following described acreage in Section 32, Township 17 South, Range 27 East, and in the following manner: the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Jennings Spring-Wolfcamp Gas Pool, Undesignated Logan Draw-Cisco/Canyon Gas Pool, Undesignated Red Lake-Pennsylvanian Gas Pool, Undesignated West Logan Draw-Morrow Gas Pool, and Undesignated Logan Draw-Morrow Gas Pool; the NE/4 to form 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 NW/4 NE/4 to form 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 which presently includes but is not necessarily limited to the Undesignated Red Lake Queen-Grayburg-San Andres Pool, Undesignated Empire-Abo Pool, and Undesignated Chalk Bluff-Wolfcamp Pool. Said units are to be dedicated to a single well to be drilled and completed at a standard location in Unit "B" of said Section 32. 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 Nearburg Producing Company as the operator of the well, and a charge for risk involved in drilling said well. Said well location is approximately 2.5 miles south of Riverside, New Mexico.

**CASE 11265:** **(Readvertised).**

**Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 21, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Alto "21" Well No. 2 to be drilled at a standard location in the NE/4 NE/4 (Unit A) of said Section 21. 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 Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.25 miles west by north of Lakewood, New Mexico.

**CASE 11283:** **(Continued from May 18, 1995, Examiner Hearing.)**

**Application of Yates Petroleum Corporation for an amendment to Division Order No. R-9976-A authorizing a location change of a certain unorthodox infill gas well location, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks to amend Division Order No. R-9976-A, which order authorized the applicant to infill drill the Pecos Slope-Abo (unprorated) Gas Pool within a portion of Townships 5, 6, and 7 South, Ranges 25 and 26 East, by changing the location approved by said order of its Catterson "SS" Federal Well No. 7, which has already been drilled, to reflect its current position 2310 feet from the South line and 660 feet from the East line (Unit I) of Section 33, Township 7 South, Range 26 East. Said well is located approximately 14 miles west of Elkins, New Mexico.

**CASE 11263:** (Continued from April 20, 1995, 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 NE/4 of Section 21, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Ross "EG" Federal Com Well No. 14 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 21. 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 unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.25 miles west by north of Lakewood, New Mexico.

**CASE 11264:** (Continued from April 20, 1995, 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 NE/4 of Section 24, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Fairchild "24" Well No. 2 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 24. 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 unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles west-northwest of Lakewood, New Mexico.

**CASE 11295:** **Application of Strata Production Company for a high angle/horizontal directional drilling pilot project, special operating rules therefor, a non-standard oil proration unit, and a special project allowable, Roosevelt County, New Mexico.** Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Undesignated Chaveroo-San Andres Pool underlying the SE/4 NE/4 of Section 21 and the S/2 NW/4 of Section 22, Township 7 South, Range 34 East, to form a non-standard 120-acre oil spacing and proration unit for said pool. The applicant proposes to re-complete the existing Murphy Operating Corporation Sunrise Federal Well No. 1, located at an orthodox surface location 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 21, by kicking-off from vertical in an easterly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Further, the applicant seeks the promulgation of special operating rules and procedures therefor including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 330 feet to any boundary of the project area, and for a special project allowable. Said area is located approximately 8 miles west-northwest of Milnesand, New Mexico.

**CASE 11296:** **Application of Santa Fe Energy Resources, Inc. for compulsory pooling, directional drilling, and an unorthodox bottomhole gas well location, 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, underlying the following described acreage in Section 19, Township 20 South, Range 34 East, and in the following manner: Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) to form a 320.28-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to either the Undesignated Quail Ridge-Morrow Gas Pool or the Undesignated West Lynch-Morrow Gas Pool; and Lots 3 and 4 and the E/2 SW/4 (SW/4 equivalent) to form a 160.19-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent. Said units are to be dedicated to the plugged and abandoned Cities Service Oil Company Government "N" Com Well No. 1-Y (API No. 30-025-22564), located 660 feet from the South line and 2084 feet from the West line (Unit N) of said Section 19, wherein the applicant proposes to re-enter said well and recomplete by kicking-off from the vertical portion of the wellbore in a northerly direction and directionally drill into the Morrow formation within a 50 foot radius of a point 1060 feet from the South line and 2084 feet from the West line of said Section 19, which is an unorthodox bottomhole location for said interval. Also to be considered will be the cost of re-entering, drilling and recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as the 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 east of the junction of U.S. Highway 62/180 and New Mexico State Road No. 176.

**CASE 11297:** Application of Exxon Corporation for a waterflood project, qualification for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" for said project, and for 18 non-standard oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute a waterflood project in the designated and Undesignated Avalon-Delaware Pool within its proposed Avalon Delaware Unit Area (being the subject of Case No. 11298) located in portions of Townships 20 and 21 South, Ranges 27 and 28 East, by the injection of water through 18 new wells to be drilled as injection wells and one well to be converted from a producing oil well to an injection well. Applicant further seeks to qualify this project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Applicant further seeks approval to drill 18 new producing wells throughout the project area at locations considered to be unorthodox. The proposed unit area is centered approximately 8 miles north of Carlsbad, New Mexico.

**CASE 11298:** Application of Exxon Corporation for statutory unitization, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a waterflood project, all mineral interests in the designated and Undesignated Avalon-Delaware Pool underlying its proposed Avalon Delaware Unit Area encompassing some 2,140.14 acres, more or less, of Federal, State, and Fee lands comprising portions of Sections 25 and 35, Township 20 South, Range 27 East, all or portions of Sections 29, 30, 31, and 32, Township 20 South, Range 28 East, and portions of Sections 4, 5, and 6, Township 21 South, Range 28 East. Among the matters to be considered at the hearing, pursuant to the "New Mexico Statutory Unitization Act", Sections 70-7-1 et. seq., NMSA, will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investments, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to unit voting procedures, selection, removal or substitution of the unit operator, and time of commencement and termination of unit operations. Said unit area is centered approximately 8 miles north of Carlsbad, New Mexico.

**CASE 11194:** (Continued from April 20, 1995, Examiner Hearing.)

Application of Charles B. Gillespie, Jr. for a pressure maintenance project and qualification for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act", Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to institute a pressure maintenance project in the designated and Undesignated West Lovington-Strawn Pool within its proposed West Lovington Strawn Unit Area (being the subject of Case No. 11195) located in portions of Townships 15 and 16 South, Ranges 35 and 36 East, by the injection of natural gas through the perforated interval from approximately 11,424 feet to 11,434 feet into its existing Speight Fee Well No. 1 located 660 feet from the North line and 2310 feet from the West line (Lot 3/Unit C) of Section 1, Township 16 South, Range 35 East. Applicant further seeks to qualify this project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

**CASE 11195:** (Readvertised)

Application of Charles B. Gillespie, Jr. for statutory unitization, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a pressure maintenance project, all mineral interests in the designated and Undesignated West Lovington-Strawn Pool underlying its proposed West Lovington Strawn Unit Area encompassing some 1458.95-acres, more or less, of Federal, State, and Fee lands comprising all of Section 33 and the W/2 of Section 34 of Township 15 South, Range 35 East, a portion of Section 1, Township 16 South, Range 35 East, and a portion of Section 6, Township 16 South, Range 36 East. Among the matters to be considered at the hearing, pursuant to the "New Mexico Statutory Unitization Act", Sections 70-7-1 et. seq., NMSA, will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investments, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to unit voting procedures, selection, removal or substitution of the unit operator, and time of commencement and termination of unit operations. Said unit area is centered approximately 4.5 miles West-Northwest of Lovington, New Mexico.



**CASE 11299:** In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating, abolishing, contracting and extending the horizontal limits of certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Abo production and designated as the Blackwater-Abo Pool. The discovery well is the Yates Petroleum Corporation Blackwater Unit Well No. 5 located in Unit L of Section 4, Township 9 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH. RANGE 22 EAST. NMPM

Section 4: SW/4

- (b) ABOLISH the East Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, consisting of the following described area:

TOWNSHIP 19 SOUTH. RANGE 25 EAST. NMPM

Section 27: NW/4

- (c) EXTEND the North Dagger Draw-Upper Pennsylvanian Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH. RANGE 25 EAST. NMPM

Section 27: NW/4

- (d) CONTRACT the East Avalon-Bone Spring Gas Pool in Eddy County, New Mexico, by the deletion of the following described area:

TOWNSHIP 20 SOUTH. RANGE 28 EAST. NMPM

Section 32: NW/4

- (e) EXTEND the Burton Flat-Bone Spring Associated Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH. RANGE 28 EAST. NMPM

Section 32: NW/4

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

TOWNSHIP 21 SOUTH. RANGE 26 EAST. NMPM

Section 16: SE/4

- (g) EXTEND the Cedar Canyon-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH. RANGE 29 EAST. NMPM

Section 21: NE/4

- (h) EXTEND the Ingle Wells-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH. RANGE 31 EAST. NMPM

Section 13: SE/4

Section 24: NE/4

Section 36: SW/4

TOWNSHIP 24 SOUTH. RANGE 31 EAST. NMPM

Section 3: SE/4

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

TOWNSHIP 22 SOUTH. RANGE 31 EAST. NMPM

Section 12: SE/4

- (j) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM

Section 17: SE/4

**CASE 11300:** In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Rio Arriba, San Juan, and Sandoval Counties, New Mexico.

- (a) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Companero-Gallup Pool. The discovery well is the Meridian Oil Inc. Jicarilla 95 Well No. 11 located in Unit P of Section 26, Township 27 North, Range 3 West, NMPM. Said pool would comprise:

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM

Section 26: SE/4

- (b) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Gamblers Mesa-Gallup Oil Pool. The discovery well is the Dugan Production Corporation Monte Carlo Well No. 2 located in Unit M of Section 24, Township 30 North, Range 15 West, NMPM. Said pool would comprise:

TOWNSHIP 30 NORTH, RANGE 15 WEST, NMPM

Section 24: SW/4 SW/4

- (c) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Farmington production and designated as the North Kutz-Farmington Pool. The discovery well is the Beartooth Oil and Gas Company Elledge Federal 34 Well No. 11 located in Unit D of Section 34, Township 29 North, Range 11 West, NMPM. Said pool would comprise:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 34: NW/4

- (d) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Mesaverde production and designated as the Pierre Mesa-Mesaverde Oil Pool. The discovery well is the Dugan Production Corporation Pierre Well No. 2 located in Unit J of Section 23, Township 23 North, Range 11 West, NMPM. Said pool would comprise:

TOWNSHIP 23 NORTH, RANGE 11 WEST, NMPM

Section 23: NW/4 SE/4

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

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 12: S/2

Section 13: NE/4

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

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM

Section 26: NW/4

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

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 1: NW/4

TOWNSHIP 26 NORTH, RANGE 3 WEST, NMPM

Section 26: S/2

Section 27: SE/4

Section 34: NE/4

Section 35: N/2 and SE/4

Section 36: W/2

DOCKET NO. 17-95

**DOCKET: COMMISSION HEARING - THURSDAY - JUNE 8, 1995**

**9:00 A.M. - 2040 SOUTH PACHECO**

**SANTA FE, NEW MEXICO**

**The Land Commissioner's designee for this hearing will be Jami Bailey or Gary Carlson**

**CASE 10280:** (Continued from April 27, 1995, Commission Hearing.)

In the matter of Case No. 10280 being reopened pursuant to the provisions of Division Order Nos. R-9594 and R-9594-A, which orders promulgated temporary special rules and regulations for the Milnesand-Abo Pool in Lea and Roosevelt Counties, New Mexico, including a provision for 80-acre spacing. Operators in the subject pool may appear and show cause why said spacing pool rules should not be rescinded any why the Milnesand-Abo Pool should not be developed on other than 40-acre spacing and proration units.