

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 7, 1995

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 36-95 and 1-96 are tentatively set for December 21, 1995 and January 11, 1996. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11394: (Continued from November 16, 1995, Examiner Hearing.)

Application of Harvey E. Yates Company for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed Bennett Ranch Federal Unit Area containing 8856.90 acres, more or less, of Federal and State lands comprising all or portions of Sections 1-3, 10-15, 22-27, 35 and 36, Township 26 South, Range 12 East, and all or portions of Sections 18, 19, 30, and 31, Township 26 South, Range 13 East. Said unit area is located approximately 32 miles east-northeast of the intersection of U.S. Highway 54 with the Texas-New Mexico state line.

CASE 11432: **Application of Southland Royalty Company for compulsory pooling, Rio Arriba County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Blanco Mesaverde Gas Pool, underlying the N/2 of Section 25, Township 25 North, Range 2 West, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to its existing Hill Federal Well No. 2Y which is to be recompleted in the Mesaverde formation at a standard gas well location. Also to be considered will be the costs of participation in said well, including but not limited to the costs of recompleting, the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, a charge for risk involved in recompleting said well and the designation of applicant as the operator of the well. Said well is located approximately 2 ½ miles southeast of Gavilan, New Mexico.

CASE 11433: **Application of Oryx Energy Company for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico.** Applicant seeks approval to drill its Bogel Flats Unit Well No. 13 at an unorthodox gas well location 800 feet from the North line and 800 feet from the East line (Unit A) of Section 17, Township 22 South, Range 23 East, to the Indian Basin-Upper Pennsylvanian Gas Pool. All of said Section 17 is to be simultaneously dedicated to said well and its current producing Bogel Flats Unit Well No. 9, located 2035 feet from the North line and 1650 feet from the East line (Unit G) to form a standard 640-acre gas spacing and proration unit. Said unit is located approximately 27 miles west of Carlsbad, New Mexico.

CASE 11434: **Application of Meridian Oil Inc. for compulsory pooling and an unorthodox gas well location, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Blanco Mesaverde Gas Pool underlying the E/2 of Section 23, Township 31 North, Range 9 West, forming a standard 320-acre spacing and proration unit. Said unit is to be dedicated to Meridian Oil Inc.'s proposed Seymour Well No. 7A which is to be drilled at an unorthodox gas well location 1615 feet from the South line and 2200 feet from the East line (Unit J) of said Section 23 to test for production from the Mesaverde formation. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling and completing, and the allocation of the costs and income therefor as well as actual operating costs and charges for supervision, a charge for risk involved in drilling and completing said well and the designation of applicant as the operator of the well. Said well is located approximately 9 miles southeast of Cedar Hills, New Mexico.

CASE 11435: **Application of Shell Western E&P Inc. To amend Division Administrative Order DHC-1149, Lea County, New Mexico.** Applicant seeks to amend Division Order DHC-1149 to allow commingled oil production from the Vacuum-Wolfcamp and Vacuum-Middle Pennsylvanian Pools not to exceed 250 barrels/day from the State "A" Well No. 10, located in Unit A of Section 31, Township 17 South, Range 35 East. Said well is located approximately 1 mile southeast of Buckeye, New Mexico.

CASE 11436: **Application of Armstrong Energy Corporation for approval of a pressure maintenance project and qualification for the Recovered Oil Tax Rate, Lea County, New Mexico.** Applicant seeks approval of its Lea Pressure Maintenance Project by injection of water into the Delaware formation, through the perforated interval from approximately 5930 feet to 5970 feet in its Mobil Federal Well No. 6 PMW located 330 feet from the South line and 990 feet from the West line of Section 2, Township 20 South, Range 34 East. The Lea Pressure Maintenance Project Area shall include the following described area:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 2: SW/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 pressure maintenance 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 16 miles southeast of Maljamar, New Mexico.

CASE 11408: (Readvertised - Continued from November 16, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Morton Exploratory Unit Agreement for an area comprising 2,178.68 acres, more or less, of State and Fee lands comprising all or portions of Sections 32 and 33, Township 14 South, Range 35 East, and Sections 4, 5 and 6 of Township 15 South, Range 35 East, which is located approximately 14 miles south-southwest of Tatum, New Mexico.

CASE 11437: Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant seeks approval to drill its Vandiver "DO" Com Well No. 2 at an unorthodox gas well location 660 feet from the South line and 800 feet from the East line (Unit P) of Section 7, Township 18 South, Range 26 East, NMPM. Applicant also seeks authority to simultaneously dedicate the S/2 of said Section 7 in the West Atoka-Morrow Gas Pool to this well and its Vandiver "DO" Com Well No. 1 located 660 feet from the South line and 2310 feet from the West line of Section 7. Applicant further requests approval of the unorthodox location as to all prospective pools or formations from the surface to the base of the Morrow formation. Said well is located approximately 5 miles south of Artesia, New Mexico.

CASE 11438: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its Opunita Draw APK State Com Well No. 1 at an unorthodox gas well location 1365 feet from the South line and 660 feet from the West line (Unit L) of Section 29, Township 23 South, Range 25 East. The W/2 of said Section 29 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 formation. Said well is located approximately 10 miles southwest of Carlsbad, New Mexico.

CASE 11426: (Continued from November 16, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation 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 Pennsylvanian formation, underlying the SE/4 NW/4 of Section 1, Township 14 South, Range 33 East, 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, which presently includes but is not necessarily limited to the Undesignated Lazy J-Pennsylvanian Pool. Said unit is to be dedicated to an existing well which will be re-entered located at a standard location 1980 feet from the North and West lines of said Section 1. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 20 miles southeast of the intersection of Highways 380 and FAS 1242, Lea County, New Mexico.

CASE 11339: (Continued from November 16, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for directional drilling and an unorthodox bottomhole location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Zinnia Federal Unit Well No. 1 from a unorthodox surface location 1980 feet from the North line and 910 feet from the West line (Unit E) of Section 27, Township 20 South, Range 29 East, to an unorthodox bottomhole gas well location within 50 feet of a point 1980 from the North line and 2405 feet from the East line (Unit G of Section 27, to test the Strawn and Morrow formations, Undesignated East Burton Flat-Strawn Gas Pool and Wildcat Morrow. The N/2 of Section 27 is to be dedicated to this well forming a standard 320-acre gas spacing and proration unit for both formations. Said well is located approximately 11 miles northeast of Carlsbad, New Mexico.

CASE 11439: Application of PED Oil Corporation for directional drilling and an unorthodox oil well location, Chaves County, New Mexico. Applicant seeks authority to drill its Mescalero Federal Well No. 1 from a surface location 1980 feet from the North and West lines (Unit F) to an unorthodox bottomhole location within 50 feet of a point 1845 feet from the North line and 1131 feet from the West line (Unit E) of Section 11, Township 12 South, Range 30 East, to test the Devonian formation, Graham Springs-Devonian Pool. The SW/4 NW/4 of said Section 11 is to be dedicated to this well to form a standard 40-acre oil proration unit. Said well is located approximately 28 miles northeast of Dexter, New Mexico.

CASE 11412: (Continued from November 2, 1995, Examiner Hearing.)

Application of Amoco Production Company for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to surface commingle Blanco Mesaverde Pool gas production with Basin Dakota Pool gas production within the wellbore of its Houck Com Well No. 1, located 1580 feet from the South line and 890 feet from the East line (Unit I) of Section 1, Township 29 North, Range 10 West. Said well is located approximately 3 1/2 miles west of Turley, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE 11413: (Continued from November 2, 1995, Examiner Hearing.)

Application of Amoco Production Company for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to surface commingle Blanco Mesaverde Pool gas production with Basin Dakota Pool gas production within the wellbore of its Blanco Com Well No. 1A, located 1120 feet from the South line and 950 feet from the East line (Unit P) of irregular Section 2, Township 30 North, Range 11 West. Said well is located approximately 1 1/2 miles northeast of Aztec, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE 11429: **Application of Texaco Exploration and Production Inc. for downhole commingling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks exceptions from Division General Rule 303(C) to establish an area-wide basis authorization for downhole commingling of the Delaware and Bone Spring formations in the wellbores of existing or future wells drilled anywhere within the W/2 E/2 and the E/2 W/2 of Section 31, Township 23 South, Range 32 East, said production being from portions of the West Triste Draw-Delaware Pool and the South Sand Dunes-Bone Spring Pool. The center of said area is located approximately 1 mile north of the intersection of Highway FAS 1271 and the boundary between Eddy and Lea Counties, New Mexico.

CASE 11385: (Reopened)

In the matter of Case No. 11385 being reopened pursuant to the application of Santa Fe Energy Resources, Inc. regarding an unorthodox location requested by Texaco Exploration and Production, Inc. for its Dow "B-28" Federal Well No. 1 to be located at an unorthodox location 1028 feet from the South line and 1227 feet from the East line (Unit P) of Section 28, Township 17 South, Range 31 East, to test for oil in the deeper Siluro-Devonian formation and for gas in the Undesignated East Cedar Lake-Morrow Gas Pool. The SE/4 SE/4 of said Section 28 is to be dedicated to said well to form a standard 40-acre oil spacing and proration unit and the S/2 of said Section 28 to form a standard 320-acre gas spacing and proration unit. Said well location is approximately one mile south of the junction of U. S. Highway 62/180 and New Mexico State Highway 529.

CASE 11430: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating, contracting, and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Southeast Big Sinks-Delaware Pool. The discovery well is the Yates Petroleum Corporation Almost Texas Unit Well No. 1 located in Unit N of Section 2, Township 26 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
Section 2: SW/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Culebra Bluff-Strawn Gas Pool. The discovery well is the Hallwood Petroleum Inc. Williams "35" Com. Well No. 1 located in Unit C of Section 35, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM
Section 35: N/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Southwest Forehand Ranch-Wolfcamp Pool. The discovery well is the Maralo, Inc. State DC Com. "30" Well No. 1 located in Unit G of Section 30, Township 23 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 30: NE/4

- (d) CONTRACT the Indian Basin-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, by the deletion of the following described area:

TOWNSHIP 21 SOUTH. RANGE 24 EAST. NMPM

Section 33: S/2

- (e) EXTEND the Indian Basin-Upper Pennsylvanian Associated Pool to include therein:

TOWNSHIP 21 SOUTH. RANGE 24 EAST. NMPM

Section 33: S/2

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

TOWNSHIP 8 SOUTH. RANGE 27 EAST. NMPM

Section 13: SW/4

- (g) EXTEND the Corral Draw-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH. RANGE 29 EAST. NMPM

Section 21: NE/4

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

TOWNSHIP 19 SOUTH. RANGE 25 EAST. NMPM

Section 9: SE/4 and NW/4

Section 10: SW/4

Section 21: SE/4

Section 22: SW/4

Section 32: NE/4

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

TOWNSHIP 19 SOUTH. RANGE 27 EAST. NMPM

Section 20: N/2

Section 21: N/2

- (j) EXTEND the McMillan-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH. RANGE 26 EAST. NMPM

Section 23: SE/4

Section 26: N/2

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

CASE 11431: 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 and San Juan Counties, New Mexico.

- (a) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Chacra production and designated as the East Bisti-Chacra Pool. The discovery well is the McElvain Oil & Gas Production Inc. Warner Federal Well No. 1 located in Unit A of Section 10, Township 22 North, Range 8 West, NMPM. Said pool would comprise:

TOWNSHIP 22 NORTH, RANGE 8 WEST, NMPM

Section 10: NE/4

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

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 27: SW/4

Section 28: S/2

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

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM

Section 18: N/2

- (d) EXTEND the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 6: W/2

Section 7: W/2

Section 17: N/2

Section 18: NE/4

Section 19: All

Section 20: E/2

Section 21: All

TOWNSHIP 27 NORTH, RANGE 8 WEST, NMPM

Sections 19 through 21: All

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Sections 16 through 18: All

Section 19: N/2 and SW/4

Section 20: All

Section 21: N/2 and SE/4

Section 27: N/2

Section 28: NE/4

Section 30: NW/4

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 2, 1995

8:15 A.M. - 425 North Richardson Street

Roswell, New Mexico

Dockets Nos 34-95 and 35-95 are tentatively set for November 16, 1995 and December 7, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11394: (Continued from October 19, 1995, Examiner Hearing.)

Application of Harvey E. Yates Company for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed Bennett Ranch Federal Unit Area containing 8856.90 acres, more or less, of Federal and State lands comprising all or portions of Sections 1-3, 10-15, 22-27, 35 and 36, Township 26 South, Range 12 East, and all or portions of Sections 18, 19, 30, and 31, Township 26 South, Range 13 East. Said unit area is located approximately 32 miles east-northeast of the intersection of U.S. Highway 54 with the Texas-New Mexico state line.

CASE 11415: Application of Browning Oil Company, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Knowles Well No. 1 to be drilled at a more geologically acceptable location that is unorthodox in order to test the Devonian formation 3627 feet from the North line and 1425 feet from the East line (Lot 10/Unit J) of Section 1, Township 16 South, Range 38 East, Lot 10 of said Section 1 to be dedicated to said well to form a standard 40-acre oil spacing and proration unit. Said unit is located approximately 1.5 miles east of the old Hobbs Army Air Force Auxiliary Airfield No. 1. IN THE ABSENCE OF OBJECTION THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE 11403: (Readvertised)

Application of Pogo Producing Company for a pilot pressure maintenance project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot pressure maintenance project on its Neff Federal Lease comprising all of Section 25, Township 22 South, Range 31 East, by the injection of water into the Delaware formation of the Livingston Ridge-Delaware Pool through perforations from approximately 7050 feet to 7068 feet in its existing Neff Federal Well No. 3 located 430 feet from the North line and 760 feet from the West line (Unit D) of Section 25. Said well is located approximately 9 miles north of the intersection of State Highway 128 with the Eddy/Lea County line.

CASE 11416: Application of Louis Dreyfus Natural Gas Corp. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Pennsylvanian formation underlying the S/2 of Section 21, Township 18 South, Range 28 East, forming a standard 320-acre 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 North Illinois Camp-Morrow Gas Pool. Said unit is to be dedicated to its Artesia "21" State Well No. 2 to be drilled and completed at an unorthodox gas well location 1980 feet from the South line (Unit K) and 1943 feet from the West line of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs 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 15 miles southeast of Artesia, New Mexico.

CASE 11417: Application of Meridian Oil 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 Wolfcamp formation underlying the following described acreage within Section 30, Township 10 South, Range 38 East, NMPM, Lea County, New Mexico and in the following manner: the NE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent; and the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within said vertical extent. Said units are to be dedicated to its proposed Aunt Lula 30 Well No. 1 which is to be drilled at a standard well location in Unit I of said Section 30. Also to be considered will be the costs of participation in said well, including but not limited to the costs of drilling and completing said well and the allocation of those costs and income therefor as actual operating costs and charges for supervision, a charge for risk involved in drilling and completing said well and the designation of applicant as the operator of the well. Said well is located approximately 10 miles northeast of Gladiola, New Mexico.

CASE 11407: (Continued from October 19, 1995, Examiner Hearing).

Application of Zia Energy, Inc. for compulsory pooling and an unorthodox 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 San Andres formation, underlying the following described acreage in Section 22, Township 21 South, Range 37 East and in the following manner: 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 Penrose Skelly-Grayburg Pool; and, 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 which presently includes but is not necessarily limited to the Undesignated Hare-San Andres Gas Pool. Both units are to be dedicated to its existing Eubank Well No. 5, located 330 feet from the North line and 2310 feet from the East line (Unit B) of said Section 22, which location is "standard" for the proposed 40-acre unit but is considered to be an unorthodox gas well location for the proposed 160-acre unit. Also to be considered will be the costs of plugging-back and re-completing said well and the allocation of the costs 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 plugging-back and re-completing said well. Said well is located approximately 2 miles south-southeast of Oil Center, New Mexico.

CASE 11418: **Application of Burns Operating for an unorthodox oil well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks approval for its ARCO "6" Federal Well No. 1 to be drilled at a more geologically acceptable location that is unorthodox in order to test the Devonian formation 1800 feet from the South line and 1410 feet from the West line (Unit K) of Section 6, Township 17 South, Range 31 East, the NE/4 SW/4 of said Section 6 to be dedicated to said well to form a standard 40-acre oil spacing and proration unit. Said unit is located approximately 5 miles northeast by east of Loco Hills, New Mexico. **IN THE ABSENCE OF OBJECTION THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 11411: (Continued from October 19, 1995, Examiner Hearing.)

Application of Medallion Production 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, Undesignated Cemetery-Morrow Gas Pool, underlying the S/2 of Section 9, Township 20 South, Range 25 East. Said unit is to be dedicated to a well to be drilled at an orthodox location in Section 9. 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 5 miles southwest of Seven Rivers, New Mexico.

CASE 11419: **Application of Amoco Production Company for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Fruitland Sand and the Pictured Cliffs Formations, underlying the SW/4 of Section 13, Township 27 North, Range 13 West, 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, which presently includes but is not necessarily limited to the Fruitland Sand/Pictured Cliffs Formations. Said unit is to be dedicated to the existing Ginther Gas Com Well No. 2 located in Unit K of Section 13. Also to be considered will be the costs of participation in said well, including but not limited to the value of the existing wellbore, the costs of recompletion, and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, a charge for the risk involved in recompleting said well and the designation of applicant as the operator of the well. Said well is located approximately 9 miles south of Farmington, New Mexico.

CASE 11412: (Continued from October 19, 1995, Examiner Hearing.)

Application of Amoco Production Company for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to surface commingle Blanco Mesaverde Pool gas production with Basin Dakota Pool gas production within the wellbore of its Houck Com Well No. 1, located 1580 feet from the South line and 890 feet from the East line (Unit I) of Section 1, Township 29 North, Range 10 West. Said well is located approximately 3 1/2 miles west of Turley, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 11413: (Continued from October 19, 1995, Examiner Hearing.)

Application of Amoco Production Company for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to surface commingle Blanco Mesaverde Pool gas production with Basin Dakota Pool gas production within the wellbore of its Blanco Com Well No. 1A, located 1120 feet from the South line and 950 feet from the East line (Unit P) of irregular Section 2, Township 30 North, Range 11 West. Said well is located approximately 1 1/2 miles northeast of Aztec, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE 11408: (Continued from October 19, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Morton Exploratory Unit Agreement for an area comprising 2,178.68 acres, more or less, of State and Fee lands comprising all or portions of Sections 33 and 33, Township 14 South, Range 35 East, and Sections 4, 5 and 6 of Township 15 South, Range 35 East, which is located approximately 14 miles south-southwest of Tatum, New Mexico.

CASE 11420: **Application of Yates Petroleum Corporation for a unit agreement, Roosevelt County, New Mexico.** Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed Sawyer North Unit Area containing 1,012.04 acres, more or less, of Federal and State lands in portions of Sections 32 and 33, Township 8 South, Range 38 East. Said unit area is located approximately 17 miles east by north of Crossroads, New Mexico.

CASE 11421: **Application of Yates Petroleum Corporation for the promulgation of special rules and regulations for the South Pecos Slope-Abo Gas Pool, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks the promulgation of special rules and regulations for the currently unprorated South Pecos Slope-Abo Gas Pool, including provisions to permit the optional drilling of an additional well on each 160-acre standard gas spacing and proration unit, designated well location requirements, and any other provisions deemed necessary in the implementation of "infill drilling" in said pool. Currently the South Pecos Slope-Abo Gas Pool comprises approximately 73,440 acres in portions of Townships 8, 9, 10, and 11 South, Ranges 24, 25, 26, and 27 East.

CASE 11422: **Application of Yates Petroleum Corporation for the promulgation of special rules and regulations for the West Pecos Slope-Abo Gas Pool, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks the promulgation of special rules and regulations for the currently unprorated West Pecos Slope-Abo Gas Pool, including provisions to permit the optional drilling of an additional well on each 160-acre standard gas spacing and proration unit, designated well location requirements, and any other provisions deemed necessary in the implementation of "infill drilling" in said pool. Currently the West Pecos Slope-Abo Gas Pool comprises approximately 92,480 acres in portions of Townships 5, 6, 7, 8, and 9 South, Ranges 21, 22, and 23 East.

CASE 11399: (Continued from October 5, 1995, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Diamond Back Petroleum Inc. and all other interested parties to appear and show cause why the following two wells located in Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug any or all of said wells, the Division seeks an order directing the operator to pay the costs of such plugging and if failing to do so, ordering a forfeiture of the plugging bond, if any, covering said wells:

Margie Kay Well No. 1, located 1980 feet from the North line and 1980 feet from the West line (Unit F) of Section 7, Township 17 South, Range 28 East.

Margie Kay Well No. 1, located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 7, Township 17 South, Range 28 East.

CASES 10793, 10981, and 11004: (Reopened - Continued from September 7, 1995, Examiner Hearing.)

In the matter of Case Nos. 10793, 10981, and 11004 being reopened pursuant to the provisions of Division Order Nos. R-9976 and R-9976-A, which orders established a "pilot infill drilling program" in the Pecos Slope-Abo Gas Pool in portions of Townships 5, 6, and 7 South, Ranges 25 and 26 East, Chaves County. **The applicant in this matter, Yates Petroleum Corporation, seeks the promulgation of special rules and regulations for the currently unprorated Pecos Slope-Abo Gas Pool,** based on the geologic and engineering data acquired from the pilot program, including provisions to permit the optional drilling of an additional well on each 160-acre standard gas spacing and proration unit, designated well location requirements, and any other provisions deemed necessary in the implementation of "infill drilling" in said pool. Currently the Pecos Slope-Abo Gas Pool comprises approximately 199,000 acres in all or portions of Townships 4, 5, 6, 7, and 8 South, Ranges 24, 25, 26, and 27 East.

DOCKET NO. 33-95

DOCKET: COMMISSION HEARING - THURSDAY - NOVEMBER 9, 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 11353:** (Continued from October 12, 1995, Commission Hearing.)

In the matter of the hearing called by the Oil Conservation Division to amend Rule 303.C. of its General Rules and Regulations pertaining to downhole commingling. The proposed amendments to Rule 303.C. would provide for administrative approval of applications for types of downhole commingling currently requiring notice and hearing.

CASE 11297: (De Novo)

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. Upon the application of Premier Oil & Gas, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 11298: (De Novo)

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. Upon the application of Premier Oil & Gas, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 19, 1995

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 32-95 and 33-95 are tentatively set for November 2, 1995 and November 16, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11394: (Readvertised)

Application of Harvey E. Yates Company for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed Bennett Ranch Federal Unit Area containing 8856.90 acres, more or less, of Federal and State lands comprising all or portions of Sections 1-3, 10-15, 22-27, 35 and 36, Township 26 South, Range 12 East, and all or portions of Sections 18, 19, 30, and 31, Township 26 South, Range 13 East. Said unit area is located approximately 32 miles east-northeast of the intersection of U.S. Highway 54 with the Texas-New Mexico state line.

CASE 11383: (Readvertised)

Application of Santa Fe Energy Resources, Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a Unit Agreement for its proposed "Kemosabe Unit Area" containing 795.09 acres, more or less, of State lands comprising the NE/4 and S/2 of Section 13, Township 18 South, Range 34 East and the W/2 equivalent of Section 18, Township 18 South, Range 35 East. Said unit area is located approximately 4 miles south of Buckeye, New Mexico.

CASE 11402: Application of Pogo Production Company for two unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill the following wells in Section 28, Township 24 South, Range 29 East: The Cedar Canyon 28 Fed. Well No. 1 at an unorthodox oil well location 230 feet from the North line and 2510 feet from the West line (Unit C) of Section 28, with the NE/4 NW/4 of Section 28 dedicated to the well, forming a standard 40-acre oil spacing and proration unit for said pool; and the Cedar Canyon 28 Fed. Well No. 2 at an unorthodox oil well location 2410 feet from the North line and 2310 feet from the East line (Unit C) of Section 28, with the SW/4 NE/4 of Section 28 dedicated to the well, forming a standard 40-acre oil spacing and proration unit for said pool. Each well will test the Bone Spring formation (First Bone Spring) and the Delaware formation (Undesignated Cedar Canyon-Delaware Pool). Said units are located approximately 4 miles southeast of Malaga, New Mexico.

CASE 11403: Application of Pogo Producing Company for a pilot waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project on its Neff Federal Lease comprising all of Section 25, Township 22 South, Range 31 East, by the injection of water into the Delaware formation of the Livingston Ridge-Delaware Pool through perforations from approximately 4554 feet to 5885 feet in its existing Neff Federal Well No. 3 located 430 feet from the North line and 760 feet from the West line (Unit D) of Section 25. Said well is located approximately 9 miles north of the intersection of State Highway 128 with the Eddy/Lea County line.

CASE 11404: Application of Chesapeake Operating, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its Shaw "15" Well No. 2 at an unorthodox oil well location 2100 feet from the North line and 2310 feet from the East line (Unit G) of Section 15, Township 17 South, Range 37 East, to be dedicated to a standard 80-acre oil spacing and proration unit consisting of the S/2 NE/4 of said Section 15 to test the Strawn formation, Humble City-Strawn Pool. Said well is located approximately 3 miles north-northwest of Humble City, New Mexico.

CASE 11405: Application of Meridian Oil Inc. for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle conventional Aztec-Pictured Cliffs Gas Pool production (160-acre standard dedication comprising the NW/4) with gas production from the Basin-Fruitland Coal Gas Pool (320-acre standard dedication comprising the W/2) within the wellbore of its existing Sanchez A Com Well No. 2 located 1600 feet from the North line and 990 feet from the West line (Unit E) of Section 16, Township 28 North, Range 9 West. Said well is located approximately 4 1/2 miles southeast of Blanco, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE 11406: Application of Meridian Oil Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Mesaverde formation, underlying the E/2 of Section 22, Township 25 North, Range 3 West, forming a standard 320-acre gas spacing and proration unit to be dedicated to Meridian Oil Inc.'s. Arco Hill Well No. 1 which is an existing West Lindrith Gallup-Dakota Pool well located in Unit G of Section 22 and is to be recompleted in the Mesaverde formation of the Blanco-Mesaverde Pool. Also to be considered will be the costs of participation in said well, including but not limited to the value of the existing wellbore, the costs of recompletion, and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, a charge for the risk involved in recompleting said well and the designation for applicant as the operator of the well. Said well is located approximately 5 miles west of Gavilan, New Mexico.

CASE 11389: (Readvertised)

Application of Nearburg Exploration Company for compulsory pooling, directional drilling, a non-standard oil proration unit, and possibly an unorthodox bottomhole oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to re-enter its plugged and abandoned Stillings "7D" Federal Well No. 1, located 660 feet from the North line and 773 feet from the West line (Lot 1/Unit D) of Section 7, Township 17 South, Range 38 East, and recomplate said well in either the Undesignated South Humble City-Strawn or Undesignated Shipp-Strawn Pool by directionally drilling in such a manner as to bottom said well in the Strawn formation within a "producing area" best described as a window that is 330 feet from the north, east, and south boundaries and 1103 feet from the western boundary of the proposed non-standard 77.78-acre oil spacing and proration unit comprising Lot 1 and the NE/4 NW/4 (N/2 NW/4 equivalent) of said Section 7 to be dedicated to said well. The applicant further seeks an order pooling all mineral interests within the Strawn formation underlying the above-described non-standard 77.78-acre oil spacing and proration unit. Also to be considered will be the value of the existing wellbore, the cost of re-entering, directional drilling, and recompleting 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 unit and a charge for risk involved in re-entering and recompleting said well. Said unit is located approximately 4.25 miles north-northeast of Humble City, New Mexico.

CASE 11407: Application of Zia Energy, Inc. for compulsory pooling and an unorthodox 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 San Andres formation, underlying the following described acreage in Section 22, Township 21 South, Range 37 East and in the following manner: 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 Penrose Skelly-Grayburg Pool; and, 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 which presently includes but is not necessarily limited to the Undesignated Hare-San Andres Gas Pool. Both units are to be dedicated to its existing Eubank Well No. 5, located 330 feet from the North line and 2310 feet from the East line (Unit B) of said Section 22, which location is "standard" for the proposed 40-acre unit but is considered to be an unorthodox gas well location for the proposed 160-acre unit. Also to be considered will be the costs of plugging-back and re-completing said well and the allocation of the costs 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 plugging-back and re-completing said well. Said well is located approximately 2 miles south-southeast of Oil Center, New Mexico.

CASE 10917: Reopened

Application of Conoco, Inc. to reopen Case No. 10917 and to amend Division Order No. R-10071, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks to reopen Case No. 10917 and to amend Division Order No. R-10071, issued in Case 10917 and dated August 30, 1993, in order to obtain approval to re-enter its existing F.C. Federal Com Well No. 8, located at a standard coal gas well location 1870 feet from the South line and 1525 feet from the West line (Unit K) of Section 18, Township 32 North, Range 11 West, instead of drilling a new well for its high angle/horizontal directional drilling pilot project into the Basin-Fruitland Coal Gas Pool within an area comprising the W/2 equivalent of said Section 18. All other provisions of said Order No. R-10071 are to remain in full force and effect. Said project area is located approximately 8 miles northwest of Cedar Hill, New Mexico. IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

CASE 11395: (Continued from October 5, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed Ed Powell Unit Area" containing 5,207.08 acres, more or less, of Federal and State lands comprising all or portions of Sections 7, 8, 17, 18-21, and 28-33, Township 26 South, Range 38 East. Said unit area is centered approximately 8 miles southeast of Jal, New Mexico.

CASE 11408: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Morton Exploratory Unit Agreement for an area comprising 2,178.68 acres, more or less, of State and Fee lands comprising all or portions of Sections 33 and 33, Township 14 South, Range 35 East, and Sections 4, 5 and 6 of Township 15 South, Range 35 East, which is located approximately 14 miles south-southwest of Tatum, New Mexico.

CASE 11339: (Continued from October 5, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for directional drilling and an unorthodox bottomhole location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Zinnia Federal Unit Well No. 1 from a unorthodox surface location 1980 feet from the North line and 910 feet from the West line (Unit E) of Section 27, Township 20 South, Range 29 East, to an unorthodox bottomhole gas well location within 50 feet of a point 1980 from the North line and 2405 feet from the East line (Unit G of Section 27, to test the Strawn and Morrow formations, Undesignated East Burton Flat-Strawn Gas Pool and Wildcat Morrow. The N/2 of Section 27 is to be dedicated to this well forming a standard 320-acre gas spacing and proration unit for both formations. Said well is located approximately 11 miles northeast of Carlsbad, New Mexico.

CASE 11409: **Application of Maralo, Inc. for pool creation, special pool rules and a discovery allowable, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Wolfcamp formation comprising the N/2 NE/4 of Section 20, Township 13 South, Range 38 East, the assignment of a discovery allowable, and the promulgation of special pool rules therefor including provisions for 80-acre spacing units and special well location requirements. Said area is located approximately 6 miles southeast of Gladiola, New Mexico.

CASE 11335: (Continued from October 5, 1995, Examiner Hearing.)

Application of Naumann Oil & Gas, 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 the E/2 of Section 34, Township 18 South, Range 29 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 which presently includes but is not necessarily limited to the North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to the Empire "34" Federal Well No. 1 which is an existing well located at a standard gas well location 1980 feet from the North line and 1980 feet from the East line (Unit G) of Section 34 and which is to be re-entered and deepened in an attempt to complete in the Morrow formation. Also to be considered will be the costs of re-entering, deepening and completing said well and the allocation of those costs 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 re-entering, deepening and completing said well. Said unit is located approximately 9 miles southwest of Loco Hills, New Mexico.

CASE 11410: **Application of Medallion Production Company for compulsory pooling, Chaves 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, Undesignated Buffalo Valley-Pennsylvanian Gas Pool, underlying the S/2 of Section 20, Township 15 South, Range 28 East. Applicant proposes to dedicate this pooled unit to its U.S.A. "20" Well No. 1 to be drilled at a location 990 feet from the South line and 1100 feet from the East line (Unit P) of said Section 20 to test any and all formations to the base of the Morrow formation. 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 9 miles southeast of Hagerman, New Mexico.

CASE 11411: **Application of Medallion Production 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, Undesignated Cemetery-Morrow Gas Pool, underlying the S/2 of Section 9, Township 20 South, Range 25 East. Said unit is to be dedicated to a well to be drilled at an orthodox location in Section 9. 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 5 miles southwest of Seven Rivers, New Mexico.

CASE 11321: (Reopened and Continued from September 21, 1995, Examiner Hearing.)

Application of D & J Oil Company 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 11412: **Application of Amoco Production Company for surface commingling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to surface commingle Blanco Mesaverde Pool gas production with Basin Dakota Pool gas production within the wellbore of its Houck Com Well No. 1, located 1580 feet from the South line and 890 feet from the East line (Unit I) of Section 1, Township 29 North, Range 10 West. Said well is located approximately 3 1/2 miles west of Turley, New Mexico.

CASE 11413: Application of Amoco Production Company for surface commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to surface commingle Blanco Mesaverde Pool gas production with Basin Dakota Pool gas production within the wellbore of its Blanco Com Well No. 1A, located 1120 feet from the South line and 950 feet from the East line (Unit P) of irregular Section 2, Township 30 North, Range 11 West. Said well is located approximately 1 1/2 miles northeast of Aztec, New Mexico.

CASE 11328: (Continued from October 5, 1995, Examiner Hearing.)

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 11414: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order abolishing and extending certain existing pools in Lea County, New Mexico.

- (a) ABOLISH the South Red Tank-Delaware Pool in Lea County, New Mexico, consisting of the following described area:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 25: SW/4

Section 36: NW/4

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 25: SW/4

Section 36: NW/4

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 5, 1995

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 31-95 and 32-95 are tentatively set for October 19, 1995 and November 2, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11378: (Continued from September 21, 1995, Examiner Hearing.)

Application of Tamarack Petroleum Company, Inc. for lease commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Division General Rule 309.A to permit commingling of Saunders-Permo Pennsylvanian Pool production from its Lion State, Lion "A" State, and Saunders State leases in Sections 9 and 16, Township 14 South, Range 33 East, being in an area located approximately 20 miles south-southeast of Caprock, New Mexico.

CASE 11392: Application of Phillips Petroleum Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its Grayburg Deep Unit Well No. 11 at an unorthodox gas well location 416 feet from the South line and 2625 feet from the East line (Unit O) of Section 23, Township 17 South, Range 29 East, to test the Pennsylvanian formation, Undesignated Anderson-Pennsylvanian Gas Pool, Undesignated North Grayburg-Atoka Gas Pool, Undesignated Grayburg-Morrow Gas Pool. The S/2 of Section 23 is to be dedicated to the proposed well forming a standard 320-acre gas spacing and proration unit for the Pennsylvanian formation. Said unit is located approximately 3 miles southwest of Loco Hills, New Mexico.**CASE 11360:** (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 Morrow formation, underlying the following described acreage in Section 33, Township 17 South, Range 27 East, and in the following manner: the W/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 Red Lake-Pennsylvanian Gas Pool, Undesignated Logan Draw-Cisco/Canyon Gas Pool, Undesignated Scoggin Draw-Atoka Gas Pool, Undesignated Logan Draw-Morrow Gas Pool, Undesignated West Logan Draw-Morrow Gas Pool, and Undesignated Scoggin Draw-Morrow Gas Pool; and, the NW/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. Said units are to be dedicated to a single well to be drilled and completed 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 Nearburg Producing Company as the operator of the well, and a charge for risk involved in drilling said well. Said well location is approximately 3 miles south of Riverside, New Mexico.

CASE 11393: Application of Nearburg Producing Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authorization to drill its Minis Federal Com Well No. 1 at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit T) of Irregular Section 1, Township 21 South, Range 32 East, to test the Morrow formation, Undesignated Hat Mesa-Morrow Gas Pool. The southernmost 320 acres of Section 1 is to be dedicated to the well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 6 miles southeast from the intersection of Federal Aid Secondary Highway FAS 1217 and U.S. Highway 180-62, New Mexico.**CASE 11394:** Application of Harvey E. Yates Company for a unit agreement, Otero County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed Bennett Ranch Federal Unit Area" containing 10,517.57 acres, more or less, of Federal and State lands comprising all or portions of Sections 2, 3, 10-15, 22-27, 35 and 36, Township 26 South, Range 12 East, and all or portions of Sections 18, 19, 30, and 31, Township 26 South, Range 13 East. Said unit area is located approximately 32 miles east-northeast of the intersection of U.S. Highway 54 with the Texas-New Mexico state line.**CASE 11339:** (Continued from September 27, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for directional drilling and an unorthodox bottomhole location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Zinnia Federal Unit Well No. 1 from a unorthodox surface location 1980 feet from the North line and 910 feet from the West line (Unit E) of Section 27, Township 20 South, Range 29 East, to an unorthodox bottomhole gas well location within 50 feet of a point 1980 from the North line and 2405 feet from the East line (Unit G of Section 27, to test the Strawn and Morrow formations, Undesignated East Burton Flat-Strawn Gas Pool and Wildcat Morrow. The N/2 of Section 27 is to be dedicated to this well forming a standard 320-acre gas spacing and proration unit for both formations. Said well is located approximately 11 miles northeast of Carlsbad, New Mexico.

CASE 11395: Application of Yates Petroleum Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a unit agreement for its proposed Ed Powell Unit Area" containing 5,207.08 acres, more or less, of Federal and State lands comprising all or portions of Sections 7, 8, 17, 18-21, and 28-33, Township 26 South, Range 38 East. Said unit area is centered approximately 8 miles southeast of Jal, New Mexico.

CASE 11370 (Readvertised):

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 Morrow formation underlying the N/2 of Section 36, Township 17 South, Range 30 East, in the following described manner: the N/2 forming a standard 320-acre 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 Cedar Lake-Morrow Gas Pool; the NW/4 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; the E/2 NW/4 forming a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent; and the NE/4 NW/4 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. Said unit(s) are to be dedicated to the proposed Cedro "APG" State Com Well No. 1 to be drilled at a standard location 660 feet from the North line and 2230 feet from the West line (Unit C) of said Section 36. 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 units are located approximately 4 miles east-southeast of Loco Hills, New Mexico.

CASE 11359: (Continued from September 7, 1995, Examiner Hearing.)

Application of Damar Energy 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 Delaware formation, underlying the SE/4 SE/4 (Unit P) of Section 22, Township 23 South, Range 28 East, 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 East Loving-Brushy Canyon Pool. 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 unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 2 miles east of Loving, New Mexico.

CASE 11396: **Application of Arch Petroleum Inc. for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to drill its C. E. Lamunyon Well No. 57 at an unorthodox oil well location 20 feet from the North line and 1340 feet from the West line (Unit C) of Section 27, Township 23 South, Range 37 East, Lea County, New Mexico, to test the Ellenburger formation, Teague-Ellenburger Pool. The NE/4 NW/4 of Section 27 is to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 11 miles south of Eunice, New Mexico.

CASE 11375: (Continued from September 21, 1995, Examiner Hearing.)

Application of Enron Oil & Gas Company to amend Division Order No. R-10109, promulgating special rules and regulations for the Red Hills-Bone Spring Pool, and for the assignment of a special depth bracket oil allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to amend Division Order No. R-10109, which promulgated "*Special Rules and Regulations for the Red Hills-Bone Spring Pool*", comprising all or portions of Sections 1, 12, and 13, Township 25 South, Range 33 East and Sections 6, 7, 8, 16, and 17, Township 25 South, Range 34 East, changing the well location requirements contained in Rules 2 and 4 so as to permit a well in each quarter-quarter section or lot of a standard 80-acre spacing and proration unit and to enlarge the "standard location window" so that wells can be no closer than 330 feet from a quarter-quarter section line. Applicant further seeks the assignment of a special poolwide depth bracket oil allowable, pursuant to Division General Rule 505(d), of 660 barrels of oil per day per 80-acre unit. Said pool is located approximately 18.5 miles west by north of Jal, New Mexico.

CASE 11397: **Application of Enron Oil & Gas 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 S/2 of Section 12, Township 18 South, Range 29 East, in the following described manner: the S/2 forming a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent; the SW/4 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; the E/2 SW/4 forming a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent; and the SE/4 SW/4 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. Said unit(s) are to be dedicated to the Sand Tank "12" Federal Com Well No. 1 located at a standard location 990 feet from the South line and 2145 feet from the West line (Unit N) of said Section 12. 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 area is located approximately 10 miles southwest of Maljamar, New Mexico.

CASE 11335: (Continued from September 21, 1995, Examiner Hearing.)

Application of Naumann Oil & Gas, 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 the E/2 of Section 34, Township 18 South, Range 29 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 which presently includes but is not necessarily limited to the North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to the Empire "34" Federal Well No. 1 which is an existing well located at a standard gas well location 1980 feet from the North line and 1980 feet from the East line (Unit G) of Section 34 and which is to be re-entered and deepened in an attempt to complete in the Morrow formation. Also to be considered will be the costs of re-entering, deepening and completing said well and the allocation of those costs 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 re-entering, deepening and completing said well. Said unit is located approximately 9 miles southwest of Loco Hills, New Mexico.

CASE 11398: **Application of Pogo Producing Company for pool expansion, pool abolishment, downhole commingling, and for the establishment of special poolwide downhole commingling rules and administrative procedures, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks to abolish the South Red Tank-Delaware Pool comprising portions of Sections 25 and 36, Township 22 South, Range 32 East. The applicant further seeks to expand the West Red Tank-Delaware Pool, which currently comprises all or portions of Sections 14, 22, 23, 26, 27, 28, 34, and 35, Township 22 South, Range 32 East, by including the acreage previously contained within said South Red-Tank Delaware Pool. Applicant further seeks approval to downhole commingle West Red Tank-Delaware and Red Tank-Bone Spring Pool production within six existing wells it operates in this area. The applicant further seeks to establish special poolwide rules and administrative procedures governing the downhole commingling of Delaware and Bone Spring production, said rules to include a provision for a commingled allowable equal to the depth bracket allowable for the upper pool. The subject acreage is centered approximately 9.5 miles northeast of the intersection of State Highway 128 and the Eddy/Lea County line.

CASE 11275: (Continued from August 24, 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 11399: In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Diamond Back Petroleum Inc. and all other interested parties to appear and show cause why the following two wells located in Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug any or all of said wells, the Division seeks an order directing the operator to pay the costs of such plugging and if failing to do so, ordering a forfeiture of the plugging bond, if any, covering said wells:

Margie Kay Well No. 1, located 1980 feet from the North line and 1980 feet from the West line (Unit F) of Section 7, Township 17 South, Range 28 East.

Martha Well No. 1, located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 7, Township 17 South, Range 28 East.

CASE 11310: (Continued from September 21, 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 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 oil well location in the SW/4 SE/4 (Unit O) of said Section 16. 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 7 miles northwest of Lakewood, New Mexico.

CASE 11311: (Continued from September 21, 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 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 11328: (Continued from September 21, 1995, Examiner Hearing.)

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 11400: IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT. 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 Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Atoka production and designated as the Dean-Atoka Pool. The discovery well is the Lynx Petroleum Consultants, Inc. Dean State Well No. 1 located in Unit C of Section 35, Township 15 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM

Section 35: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Draper Mill-Bone Spring Pool. The discovery well is the Enron Oil & Gas Company Ochoa Federal Well No. 1 located in Unit G of Section 15, Township 25 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 15: NE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the North Hardy-San Andres Pool. The discovery well is the Conoco Inc. Hardy 36 State Well No. 7 located in Unit E of Section 36, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 36: NW/4

- (d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the West Knowles-Devonian Pool. The discovery well is the AnSon Gas Corporation Mary 33 Well No. 1 located in Unit F of Section 33, Township 16 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM

Section 33: NW/4

- (e) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Morton-Morrow Gas Pool. The discovery well is the Great Western Drilling Company Glenn Cleveland Well No. 1 located in Unit O of Section 7, Township 15 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 7: E/2

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Nadine-San Andres Pool. The discovery well is the Drum Energy Corporation Frances Evelyn Well No. 1 located in Unit N of Section 35, Township 19 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM

Section 35: SW/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Yates production and designated as the West San Simon-Yates Pool. The discovery well is the Stevens & Tull Inc. New Mexico DW State Well No. 3 located in Unit D of Section 6, Township 22 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM

Section 6: NW/4

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Atoka production and designated as the Shipp-Atoka Pool. The discovery well is the Mallon Oil Company Simmons Estate Well No. 1 located in Unit N of Section 3, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 3: SW/4

- (i) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the West Teas-Bone Spring Pool. The discovery well is the Snyder Ranch Inc. Anasazi 16 State Well No. 1 located in Unit G of Section 16, Township 20 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 16: NE/4

- (j) EXTEND the North Eidson-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM

Section 26: N/2 and SW/4

Section 27: S/2

- (k) EXTEND the East EK-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 15: SE/4

- (l) EXTEND the South Humble City-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 14: SW/4

- (m) EXTEND the King-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 37 EAST, NMPM

Section 24: NE/4

- (n) EXTEND the Northeast Lea-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 3: NW/4

Section 4: N/2

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

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 9: NE/4

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

TOWNSHIP 25 SOUTH. RANGE 33 EAST. NMPM

Section 1: SW/4

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

TOWNSHIP 22 SOUTH. RANGE 32 EAST. NMPM

Section 13: SW/4

Section 24: NW/4

Section 25: SE/4

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

TOWNSHIP 22 SOUTH. RANGE 33 EAST. NMPM

Section 30: SW/4

- (s) EXTEND the South Sand Dunes-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH. RANGE 32 EAST. NMPM

Section 19: SW/4

- (t) EXTEND the North Teague-Tubb Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH. RANGE 37 EAST. NMPM

Section 4: SW/4

- (u) EXTEND the North Vacuum Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH. RANGE 35 EAST. NMPM

Section 31: E/2

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

TOWNSHIP 20 SOUTH. RANGE 37 EAST. NMPM

Section 9: SW/4

CASE 11401: IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT. 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 Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Southwest Palmillo-Bone Spring Pool. The discovery well is the Chi Operating Millman State Well No. 1 located in Unit M of Section 11, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH. RANGE 28 EAST. NMPM

Section 11: SW/4

- (b) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Fusselman production and designated as the Bull's Eye-Fusselman Pool. The discovery well is the Thorton Operating Corporation Northern Lights Well No. 1 located in Unit O of Section 7, Township 8 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH. RANGE 29 EAST. NMPM

Section 7: SE/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the West Willow Lake-Bone Spring Pool. The discovery well is the Hallwood Petroleum, Inc. Harkey "35" State Well No. 1 located in Unit J of Section 35, Township 24 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH. RANGE 27 EAST. NMPM

Section 35: SE/4

- (d) EXTEND the Atoka-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH. RANGE 26 EAST. NMPM
Section 27: S/2 NW/4

- (e) EXTEND the Dog Canyon-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH. RANGE 27 EAST. NMPM
Section 23: W/2
Section 26: W/2

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

TOWNSHIP 19 SOUTH. RANGE 31 EAST. NMPM
Section 15: SE/4

- (g) EXTEND the East Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH. RANGE 29 EAST. NMPM
Section 31: SW/4

- (h) EXTEND the North Loving-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH. RANGE 28 EAST. NMPM
Section 5: N/2

- (i) EXTEND the P.J.-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH. RANGE 26 EAST. NMPM
Section 2: SE/4

- (j) EXTEND the Revelation-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH. RANGE 25 EAST. NMPM
Section 11: All
Section 12: S/2

DOCKET NO. 30-95

DOCKET: COMMISSION HEARING - THURSDAY - OCTOBER 12, 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 11353: (Continued from August 3, 1995, Commission Hearing.)

In the matter of the hearing called by the Oil Conservation Division to amend Rule 303.C. of its General Rules and Regulations pertaining to downhole commingling. The proposed amendments to Rule 303.C. would provide for administrative approval of applications for types of downhole commingling currently requiring notice and hearing.