

All of the above-described acreage is to be dedicated to a single well to be drilled at a standard location in the NW/4 SE/4 (Unit J) of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 8845: Application of Tenneco Oil Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Blanco-Mesaverde and Otero-Chacra Pools in the wellbores of two wells to be drilled in Section 8, Township 27 North, Range 8 West, and in Section 29, Township 28 North, Range 9 West.

CASE 8846: Application of Tenneco Oil Company for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Blanco-Mesaverde and Undesignated Otero-Chacra Pools in the wellbores of five wells to be drilled in Sections 18, 20, 21, and 28, Township 27 North, Range 8 West.

CASE 8847: Application of Nearburg Producing Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of production from the Atoka and Morrow formations in the wellbore of its Osage-Boyd Com Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 15, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool and Undesignated North Dagger Draw-Upper Pennsylvanian Gas Pool.

CASE 8823: (Continued from February 19, 1986, Examiner Hearing)

Application of Nearburg Producing Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the South line and 760 feet from the East line of Section 23, Township 20 South, Range 34 East, Pennsylvanian formation, the S/2 of said Section 23 to be dedicated to the well.

CASE 8848: Application of Amoco Production Company for NGPA Wellhead Price Ceiling Category Determinations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination by the Division that the following three wells in Township 19 South, Range 35 East, Scharb-Bone Springs Pool, meet the NGPA well category criteria for New Onshore Reservoir under Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission:

- 1) Elkan Well No. 3 located 1980 feet from the South and East lines (Unit J) of Section 9;
- 2) Elkan Well No. 4 located 519 feet from the South line and 2121 feet from the West line (Unit N) of Section 9; and,
- 3) State "MX" Well No. 1 located 660 feet from the North line and 710 feet from the West line (Unit D) of Section 15.

CASE 8849: Application of Southland Royalty Company for NGPA Wellhead Price Ceiling Category Determinations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a determination by the Division that the following four wells in Township 19 South, Range 35 East, Scharb-Bone Springs Pool, meet the NGPA well category criteria for New Onshore Reservoir under Section 102 of the Natural Gas Policy Act of 1978 and the applicable rules of the Federal Energy Regulatory Commission:

- 1) Smith "5" Well No. 2 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 5;
- 2) Smith "5" Well No. 4 located 2149 feet from the South line and 700 feet from the East line (Unit I) of Section 5;
- 3) Scharb "8" Well No. 2 located 660 feet from the North line and 2180 feet from the East line (Unit B) of Section 8; and,
- 4) Scharb "9" Well No. 4 located 766 feet from the North line and 2086 feet from the West line (Unit C) of Section 9.

CASE 8850: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Eddy and Chaves 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 Catclaw Draw-Delaware Pool. The discovery well is the Exxon Corporation Catclaw Draw Well No. 8 located in Unit G of Section 22, Township 21 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 25 EAST, NMPM

Section 22: NE/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the East Herradura Bend-Delaware Pool. The discovery well is the Amoco Production Company State 60 Well No. 1, located in Unit E of Section 2, Township 23 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 2: NW/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the North Laguna Salado-Atoka Gas Pool. The discovery well is the Eastland Oil Company Carthel Federal Com. Well No. 2, located in Unit G of Section 5, Township 23 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM

Section 5: N/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Permo Pennsylvanian production and designated as the Red Tank Draw-Permo Pennsylvanian Gas Pool. The discovery well is the Exxon Corporation Altwein B Federal Com. Well No. 1, located in Unit N of Section 12, Township 19 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM

Section 12: S/2

- (e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the East Shugart-Delaware Pool. The discovery well is the Siete Oil and Gas Corporation Geronimo Federal Well No. 3, located in Unit A of Section 24, Township 18 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 24: NE/4

Said discovery well will be assigned a discovery allowable of 25,060 barrels to be produced over a two year period.

- (f) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Siegreist Draw-Wolfcamp Pool. The discovery well is the Yates Petroleum Corporation Amoco QT Federal Well No. 2, located in Unit P of Section 29, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 29: SE/4

- (g) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Fusselman production and designated as the North Twin Lakes-Fusselman Gas Pool. The discovery well is the Stevens Operating Company Lynx Well No. 1, located in Unit G of Section 19, Township 8 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 29 EAST, NMPM

Section 19: N/2

- (h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Bone Spring production and designated as the South Yarrow-Bone Spring Gas Pool. The discovery well is the Exxon Corporation South Carlsbad Gas Com 3 Well No. 1, located in Unit C of Section 26, Township 23 South, Range 26 East, NMPM. Said pool would comprise:
- TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
- Section 26: N/2
- (i) EXTEND the Herradura Bend-Delaware Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
- Section 32: SE/4 NW/4
 32: S/2 NE/4
 32: E/2 SW/4
 32: SE/4
- (j) EXTEND the High Lonesome-Queen Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
- Section 18: NW/4 SE/4
 18: E/2 SW/4
 Section 19: NW/4
- (k) EXTEND the North Illinois Camp-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
- Section 7: S/2
 Section 8: S/2
- (l) EXTEND the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 21 SOUTH, RANGE 22 EAST, NMPM
- Section 7: N/2
- (m) EXTEND the Outpost-Delaware Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
- Section 30: A11
 Section 31: E/2
- (n) EXTEND the Ross Draw-Delaware Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
- Section 33: NE/4
- (o) EXTEND the East Ross Draw-Delaware Pool in Eddy County, New Mexico, to include therein:
- TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM
- Section 22: SE/4
 Section 27: E/2

- (p) EXTEND the Sheep Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM

Section 1: W/2

- (q) EXTEND the North Shugart-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 3: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 13: N/2

- (s) EXTEND the Winchester-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM

Section 31: S/2

CASE 8851: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, contracting and extending certain pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico:

- (a) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Organ Rock production and designated as the Big Gap Organ Rock Pool. The discovery well is the Petroleum Energy Inc. Navajo Tribal AS Well No. 1 located in Unit M of Section 28, Township 27 North, Range 19 West, NMPM. Said pool would comprise:

TOWNSHIP 26 NORTH, RANGE 19 WEST, NMPM

Section 5: W/2

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM

Section 28: SW/4

Section 32: N/2, SW/4

Section 33: NW/4

- (b) CONTRACT the Otero-Sanastee Oil Pool in Sandoval County, New Mexico, by the deletion of the following described area:

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM

Section 36: SE/4

- (c) CONTRACT the Otero-Gallup Oil Pool in Rio Arriba County, New Mexico, by the deletion of the following described area:

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 15: SE/4

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

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Section 33: NW/4

- (e) EXTEND the BS Mesa-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 4 WEST, NMPM

Section 35: NE/4

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

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 21: N/2 SE/4
Section 22: S/2 SW/4, E/2
Section 27: N/2 NE/4

- (g) EXTEND the Blanco-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM

Section 4: S/2, NW/4
Section 5: S/2
Section 6: S/2
Section 18: S/2

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

Section 1: S/2
Section 10: N/2, SE/4
Section 11: A11
Section 12: W/2
Section 13: S/2, NW/4
Section 14: A11
Section 15: A11
Section 16: SW/4
Section 19: E/2
Section 20: A11
Section 21: W/2
Section 22: A11
Section 23: A11
Section 26: N/2
Section 27: N/2
Section 28: W/2
Section 29: A11
Section 30: E/2

TOWNSHIP 31 NORTH, RANGE 8 WEST, NMPM

Section 33: W/2

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

TOWNSHIP 25 NORTH, RANGE 3 WEST, NMPM

Section 3: S/2
Section 9: A11
Section 10: A11

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM

Section 4: W/2

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 8: A11
Section 9: S/2
Section 16: A11
Section 17: A11
Section 20: A11
Section 21: A11
Section 28: A11
Section 29: A11
Section 35: A11

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM

Section 15: E/2

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

TOWNSHIP 29 NORTH, RANGE 8 WEST, NMPM

Section 3: SE/4
Section 23: NE/4
Section 24: W/2

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM

Section 4: NW/4
Section 10: SE/4
Section 13: NW/4

TOWNSHIP 31 NORTH, RANGE 11 WEST, NMPM

Section 26: S/2, NW/4

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

TOWNSHIP 23 NORTH, RANGE 1 WEST, NMPM

Section 30: SE/4
Section 31: NE/4
Section 32: NW/4

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM

Section 13: SW/4

TOWNSHIP 24 NORTH, RANGE 3 WEST, NMPM

Section 28: NW/4

TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM

Section 15: SE/4
Section 21: NE/4
Section 22: N/2, SW/4

- (k) EXTEND the CounselorsGallup Dakota Oil Pool in Rio Arriba and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 23 NORTH, RANGE 6 WEST, NMPM

Section 7: NE/4

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

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM

Section 22: SW/4
Section 27: SW/4
Section 28: S/2
Section 29: E/2 SE/4

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

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM

Section 13: S/2
Section 14: SE/4

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM

Section 25: S/2
Section 26: SE/4

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 33: S/2

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 24: NW/4

- (n) EXTEND the Laguna Seca-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Section 30: S/2

Section 31: All

Section 32: S/2, NW/4

TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM

Section 14: E/2

Section 20: SE/4

Section 21: S/2

Section 22: S/2, NE/4

Section 23: All

Section 24: All

Section 25: All

Section 26: All

Section 36: NE/4

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

TOWNSHIP 23 NORTH, RANGE 4 WEST, NMPM

Section 2: S/2

Section 13: SW/4

Section 21: NW/4

Section 23: NW/4

TOWNSHIP 23 NORTH, RANGE 5 WEST, NMPM

Section 25: E/2

Section 36: E/2

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

TOWNSHIP 23 NORTH, RANGE 3 WEST, NMPM

Section 7: S/2

Section 8: W/2

Section 17: W/2

TOWNSHIP 24 NORTH, RANGE 5 WEST, NMPM

Section 1: N/2

Section 2: N/2

TOWNSHIP 25 NORTH, RANGE 5 WEST, NMPM

Section 15: E/2

Section 23: NE/4

Section 24: N/2

TOWNSHIP 26 NORTH, RANGE 4 WEST, NMPM

Section 33: All

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

TOWNSHIP 31 NORTH, RANGE 7 WEST, NMPM

Section 1: E/2
Section 11: S/2
Section 14: A11
Section 15: A11
Section 22: A11
Section 23: A11
Section 26: A11
Section 27: A11

- (r) EXTEND the North Pinon-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM

Section 10: A11
Section 14: NW/4
Section 15: NE/4

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 29: NE/4

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

TOWNSHIP 20 NORTH, RANGE 3 WEST, NMPM

Section 5: A11
Section 6: A11
Section 7: A11
Section 8: A11
Section 17: A11
Section 18: A11

TOWNSHIP 20 NORTH, RANGE 4 WEST, NMPM

Section 1: A11
Section 2: A11
Section 3: A11
Section 11: A11
Section 12: A11

TOWNSHIP 21 NORTH, RANGE 3 WEST, NMPM

Section 27: A11
Section 31: A11
Section 34: A11

TOWNSHIP 21 NORTH, RANGE 4 WEST, NMPM

Section 25: A11
Section 26: A11
Section 35: A11
Section 36: A11