

**DOCKET: EXAMINER HEARING - THURSDAY - APRIL 28, 1994****8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING****SANTA FE, NEW MEXICO**

Dockets Nos. 14-94 and 15-94 are tentatively set for May 12, 1994 and May 26, 1994. 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 10812: (Continued from April 14, 1994, Examiner Hearing.)**

**Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal Gas Pool, underlying the N/2 of Section 33, Township 26 North, Range 11 West, 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 only the Basin Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon in said Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling said well. Said unit is located near the Huerfano Boarding School.

**CASE 10959: Application of Mewbourne Oil Company for statutory unitization, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the Querecho Plains-Queen Associated Pool underlying its proposed Querecho Plains-Queen Associated Sand Unit Area encompassing some 1,520 acres, more or less, of Federal lands comprising portions of Sections 21 through 23 and 26 through 28, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico. Among the matters to be considered at the hearing 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 investment, 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 unit operator, and time of commencement and termination of unit operations. Said unit area is located approximately 8 miles south of Maljamar, New Mexico.

**CASE 10960: Application of Mewbourne Oil Company for approval of a waterflood project and qualification for the recovered oil tax rate, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to institute a waterflood project in its proposed Querecho Plains-Queen Associated Sand Unit Area (being the subject of Case No. 10959) located in portions of Sections 21 through 23 and Sections 26 through 28, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico, by the injection of water into the Querecho Plains-Queen Associated Pool through 10 injection wells located within the unit area. Applicant further seeks authority to inject into said pool at a surface injection pressure in excess of the Division established standard of 0.2 psi per foot of depth. Applicant further seeks to qualify this project as an "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). This project is located approximately 8 miles south of Maljamar, New Mexico.

**CASE 10961: Application of Mewbourne Oil Company for compulsory pooling and unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying the S/2 for all formations developed on 320-acre spacing, the SE/4 for all formations developed on 160-acre spacing, the E/2 SE/4 for all formations developed on 80-acre spacing and the NE/4 SE/4 for all formations developed on 40-acre spacing within Section 20, Township 18 South, Range 28 East. Applicant proposes to dedicate this pooled unit to its Chalk Bluff Draw Prospect Illinois Camp "20" State Well No. 2 to be drilled at an unorthodox gas well location 1650 feet from the south line and 990 feet from the East line (Unit I) of Section 20 to test any and all formations in the pooled interval to the base of the Morrow formation, North Illinois Camp-Morrow Gas Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said area is located approximately 14.5 miles west-southwest of Loco Hill, New Mexico.

**CASE 10911: (Continued from March 31, 1994, Examiner Hearing.)**

**Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 31, Township 17 South, Range 27 East. Applicant proposes to reenter the Fasken Exxon AOF Federal Com Well No. 1 located at a standard location 1980 feet from the South and East lines of said Section 31 to test any and all formations to the base of the Morrow, Undesignated Red Lake-Pennsylvanian Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 7 miles east-southeast of Artesia, New Mexico.

**CASE 10962:** Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NE/4 SE/4 of Section 30, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, forming 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. Said unit is to be dedicated to a well to be drilled and completed at a standard oil well location in the NE/4 SE/4 of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 10 miles east of Loving, New Mexico.

**CASE 10963:** Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to be base of the Morrow formation underlying the N/2 of Section 30, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Nash Draw-Morrow Gas Pool, Undesignated Nash Draw-Atoka Gas Pool and Undesignated Nash Draw-Strawn Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well location in the SW/4 NE/4 of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 10 miles east of Loving, New Mexico.

**CASE 10964:** Application of Meridian Oil Inc. for downhole commingling and an unorthodox coal gas well location, Rio Arriba, County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle Undesignated Tapacito-Pictured Cliffs Pool and Basin-Fruitland Coal (Gas) Pool production within the wellbore of its proposed San Juan 28-5 Unit Well No. 106 to be drilled at an unorthodox "off pattern" coal gas well location 1020 feet from the South line and 1850 feet from the East line (Unit O) of Section 28, Township 28 North, Range 5 West. Said well is to be dedicated to a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal (Gas) Pool being the S/2 of said Section 28 and to a standard 160-acre gas spacing and proration unit for the Tapacito-Pictured Cliffs Pool being the SE/4 of said Section 28. Said unit is located approximately 5.5 miles south-southeast of Gobernador Camp, New Mexico.

**CASE 10965:** Application of Southland Royalty Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to initiate a high angle/horizontal directional drilling pilot project in the Basin Dakota Pool with special operating rules, including the designation of a prescribed area limiting the horizontal displacement of the producing portion of the wellbore within the allowed 790 foot setback requirements from the outer boundary of its spacing and proration unit being a standard 320-acre unit comprising the S/2 of Section 24, Township 27 North, Range 9 West. The applicant proposes to utilize its existing Jernigan Well No. 3 located in Unit "H" of said Section 24 to drill the proposed horizontal lateral in the Basin-Dakota Pool. Said project is located approximately 13 miles north-northeast of Huerfano Trading Post, New Mexico.

**CASE 10966:** (This Case Will Be Dismissed.)

Application of Conoco, Inc. for an unorthodox gas well location, non-standard gas proration unit, simultaneous dedication, and to further amend Division Order No. R-6141, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 480-acre non-standard Eumont Gas spacing and proration unit (GPU) comprising the S/2 NW/4 of Section 17 and the NE/4 and N/2 SE/4 of Section 18, both in Township 21 South, Range 36 East, with said Eumont Gas Pool production to be simultaneously dedicated to said unit from: a) the existing Meyer "A-1" Well No. 11, located at a previously approved unorthodox gas well location in Unit K of said Section 17; b) the existing Meyer "A-1" Well No. 19, located at a previously approved unorthodox gas well location in Unit H of said Section 18; c) the existing Meyer "A-1" Well No. 20, located at a standard gas well location in Unit E of said Section 17; and d) the proposed Meyer "A-1" Well No. 21 to be drilled at an unorthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of said Section 17. The proposed non-standard gas proration unit is to be a rededication of acreage to an existing non-standard gas proration unit previously approved by Division Order No. R-6141, as amended. Said area is located approximately 2.5 miles west-southwest of Oil Center, New Mexico.

**CASE 10967:** Application of Chevron U.S.A. Inc. for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location in the Blinbry Oil and Gas Pool for its existing Rollon Brunson Well No. 6 located 536 feet from the North line and 2104 feet from the East line (Unit B) of Section 10, Township 22 South, Range 37 East. Said well is to be simultaneously dedicated with the Rollon Brunson Well No. 4 located 2086 feet from the North line and 1874 feet from the East line (Unit G) of said Section 10, to the existing 80-acre non-standard gas spacing and proration unit comprising the W/2 NE/4 of said Section 10 (established by Division Administrative Order NSP-995) which is located approximately 2 miles south-southeast of Eunice, New Mexico.

**DOCKET: EXAMINER HEARING - THURSDAY - MAY 12, 1994**  
**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

Dockets Nos. 16-94 and 17-94 are tentatively set for May 26, 1994 and June 9, 1994. 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 10968:** (Continued from April 28, 1994, Examiner Hearing.)

**Application of Siete Oil and Gas Corporation for salt water disposal, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Delaware formation through the perforated interval from approximately 3714 feet to 3964 feet in its State "MA" Well No. 1 located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 3, Township 25 South, Range 28 East, NMPM. This well is located approximately 4 miles south of Malaga, New Mexico.

**CASE 10969:** **Application of Merrion Oil & Gas Corporation for an unorthodox coal gas well location, Rio Arriba County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to drill its Gerber Well No. 2 at an "off-pattern" unorthodox coal gas well location 790 feet from the North and West lines (Unit D) of Section 32 Township 30 North, Range 7 West, Basin-Fruitland Coal (Gas) Pool. The W/2 of said Section 32, is to be dedicated to said well forming a standard 320-acre gas spacing unit for said pool. Said unit is located approximately 2 miles south-southeast of the Navajo Reservoir Dam.

**CASE 10970:** **Application of Merrion Oil & Gas Corporation for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to downhole commingle Undesignated Fulcher Kutz-Pictured Cliffs Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its existing Carnahan Com Well No. 1 located 990 feet from the South and East lines (Unit P) of Section 35, Township 30 North, Range 12 West. Said well is an "off-pattern" unorthodox coal gas location and would be dedicated to a standard 320-acre gas spacing unit for the Basin-Fruitland Coal Gas Pool being the E/2 of said Section 35 and to a standard 160-acre gas spacing and proration unit for the Fulcher Kutz-Pictured Cliffs Pool being the SE/4 of Section 35. Said well is located approximately 2 miles south-southeast of Flora Vista, New Mexico.

**CASE 10971:** **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 establish a high angle/horizontal directional drilling pilot project in the designated and Undesignated Eagle Mesa Entrada Oil Pool within its proposed Eagle Mesa Entrada Secondary (Federal) Unit comprising portions of Sections 11, 12, 13 and 14, Township 19 North, Range 4 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 17 miles southwest by west of Cuba, New Mexico.

**CASE 10812:** (Continued from April 28, 1994, Examiner Hearing.)

**Application of Giant Exploration & Production Company for compulsory pooling, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal Gas Pool, underlying the N/2 of Section 33, Township 26 North, Range 11 West, 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 only the Basin Fruitland Coal Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon in said Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling said well. Said unit is located near the Huerfano Boarding School.

**CASE 10972:** **Application of Giant Exploration & 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 Basin-Fruitland Coal (Gas) Pool underlying the W/2 of Section 28, Township 26 North, Range 11 West, forming a standard 320-acre coal gas spacing and proration unit for said pool. Said unit is to be dedicated to the existing Buena Suerte 28-M Well No. 1 located at a standard coal gas well location 795 feet from the South line and 1210 feet from the West line (Unit M) of said Section 28. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is overlain by the community of Huerfano.

**CASE 10911:** (Continued from April 28, 1994, Examiner Hearing.)

**Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 31, Township 17 South, Range 27 East. Applicant proposes to reenter the Fasken Exxon AOF Federal Com Well No. 1 located at a standard location 1980 feet from the South and East lines of said Section 31 to test any and all formations to the base of the Morrow, Undesignated Red Lake-Pennsylvanian Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 7 miles east-southeast of Artesia, New Mexico.

**CASE 10973:** **Application of Mallon Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the depth of 5000 feet to the base of the Morrow formation underlying the N/2 of Section 12, Township 23 South, Range 26 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which currently includes but is not necessarily limited to the Undesignated South Carlsbad-Canyon Gas Pool, South Carlsbad-Strawn Gas Pool, South Carlsbad-Atoka Gas Pool, and the South Carlsbad-Morrow Gas Pool. Said unit is to be dedicated to its existing Mobil "12" Federal Well No. 1, which was drilled in 1968 at a standard gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said area is located approximately one mile southeast of the Carlsbad (Cavern City) Airport.

**CASE 10974:** **Application of Mewbourne Oil Company 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 top of the Wolfcamp formation underlying the W/2 SE/4 of Section 32, Township 18 South, Range 34 East, forming an 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent, which presently includes only the Undesignated EK-Bone Spring Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location in the NW/4 SE/4 (Unit J) of said Section 32. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8.5 miles southwest by south of Buckeye, New Mexico.

**CASE 10962:** (Continued from April 28, 1994, Examiner Hearing.)

**Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NE/4 SE/4 of Section 30, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, forming 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. Said unit is to be dedicated to a well to be drilled and completed at a standard oil well location in the NE/4 SE/4 of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 10 miles east of Loving, New Mexico.

**CASE 10965:** (Continued from April 28, 1994, Examiner Hearing.)

**Application of Southland Royalty Company for a high angle/horizontal directional drilling pilot project and special operating rules therefor, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks authority to initiate a high angle/horizontal directional drilling pilot project in the Basin Dakota Pool with special operating rules, including the designation of a prescribed area limiting the horizontal displacement of the producing portion of the wellbore within the allowed 790 foot setback requirements from the outer boundary of its spacing and proration unit being a standard 320-acre unit comprising the S/2 of Section 24, Township 27 North, Range 9 West. The applicant proposes to utilize its existing Jernigan Well No. 3 located in Unit "H" of said Section 24 to drill the proposed horizontal lateral in the Basin-Dakota Pool. Said project is located approximately 13 miles north-northeast of Huerfano Trading Post, New Mexico.

**CASE 10975:** In the matter of the application of the Oil Conservation Division of the Energy, Minerals and Natural Resources Department upon its own motion for an order for the creation, discovery allowable assignment and extension of certain existing pools in Eddy County, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof, to show cause why such creations, discovery allowable assignment and extensions should not be made.

**CASE 10993:** **Application of ARCO Permian 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 W/2 of Section 36, Township 17 South, Range 30 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 Undesignated Loco Hills-Atoka Gas Pool and the Cedar Lake-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well location within said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3.5 miles south-southeast of Loco Hills, New Mexico.

**CASE 10994:** **Application of Enserch Exploration, Inc. for the assignment at a special depth bracket oil allowable, Roosevelt County, New Mexico.** Applicant, in the above-styled cause, seeks a special depth bracket oil allowable, pursuant to General Rule 505(d), of 500 barrels of oil per day for the South Peterson-Fusselman Pool, which is located in portions of Townships 5 and 6 South, Ranges 32 and 33 East, being approximately 14 miles east of Kenna, New Mexico.

**CASE 10995:** **Application of Mewbourne Oil Company for an unorthodox gas well location, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authorization to drill its Babbling Springs "26" Federal Well No. 1 at an unorthodox gas well location 1650 feet from the North and West lines (Unit F) of section 26, Township 20 South, Range 25 East, to test the Undesignated West Bubbling Springs-Morrow Gas Pool. The N/2 of said Section 26 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 4 miles southwest by south of Seven Rivers, New Mexico.

**CASE 10974:** (Continued from May 26, 1994, Examiner Hearing.)

**Application of Mewbourne Oil Company 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 top of the Wolfcamp formation underlying the W/2 SE/4 of Section 32, Township 18 South, Range 34 East, forming an 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent, which presently includes only the Undesignated EK-Bone Spring Pool. Said unit is to be dedicated to a well to be drilled at a standard oil well location in the NW/4 SE/4 (Unit J) of said Section 32. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8.5 miles southwest by south of Buckeye, New Mexico.

**CASE 10670:** (Reopened)

In the matter of Case No. 10670 being reopened pursuant to the provisions of Order No. R-9912 which order promulgated special rules and regulations for the Northeast Jenkins-Devonian Pool including a provision for 80-acre spacing. Operators in the subject pool should be prepared to appear and show cause why the temporary special rules and regulations for the Northeast-Jenkins Devonian Pool should not be rescinded and said pool not be developed on 40-acre spacing units.

**CASE 10444:** (Reopened)

In the matter of Case No. 10444 being reopened pursuant to the provisions of Order No. R-9696 which order promulgated special rules and regulations for the Hobbs-Lower Blinebry Pool including a provision for 80-acre spacing units. Operators in the subject pool should be prepared to appear and show cause why the temporary special pool rules for the Hobbs-Lower Blinebry Pool should not be rescinded and said pool not be developed on 40-acre spacing units and why both the upper and lower Blinebry pools formed by this order should not be rejoined and redesignated the Hobbs-Blinebry Pool.

**CASE 10978:** (Continued from May 26, 1994, Examiner Hearing.)

**Application of Marathon Oil Company to amend Division Order No. R-10082, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks to amend Division Order No. R-10082 to authorize the applicant at its discretion to utilize either the J. M. Denton Well No. 4 located in the NE/4 SW/4 (Unit K) of Section 11, Township 15 South, Range 37 East or, in the alternative, its previously approved J. M. Denton Well No. 5 located in the SE/4 SW/4 (Unit N) of said Section 11, as the initial well for its high angle/horizontal/directional drilling project approved by said Order No. R-10082 in the Denton-Devonian Pool, underlying a Project Area being the SW/4, N/2 SE/4 and SE/4 SE/4 of said Section 11. Applicant further seeks the designation of a target window for said well such that the horizontal or producing portion of said wellbore shall be no closer than 330 feet to any outer boundary of the project area. Said project is located approximately 4.5 miles south-southeast of Prairieview, New Mexico.

**CASE 10996:** **Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 22, Township 18 South, Range 32 East, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to its existing Querecho Plains Unit Well No. 1 which was drilled at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 22. Also to be considered will be the valuation of the existing wellbore and the cost of recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in recompleting said well. Said unit is located approximately 8 miles south-southwest from Maljamar, New Mexico.

**CASE 10997:** **Application of Nearburg Exploration Company 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 surface to the base of the Morrow formation underlying the N/2 of Section 26, Township 19 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Cemetery-Atoka Gas Pool and Undesignated Cemetery-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox gas well location 1450 feet from the North and East lines (Unit G) of said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles west of Lakewood, New Mexico.

**CASE 10998:** **Application of Hallwood Petroleum, Inc. for an unorthodox oil well location and non-standard oil proration unit, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks to establish a non-standard 80-acre oil proration and spacing unit in the Undesignated Hat Mesa-Delaware Pool comprising the SW/4 SE/4 and the SE/4 SE/4 of Section 30, Township 20 South, Range 33 East, to be dedicated to its Bass Federal Well No. 2 which was originally drilled as a Morrow gas well at an unorthodox location 660 feet from the South line and 1300 feet from the East line (Unit P) of Section 30 and which has been recompleting into and which applicant proposes to dedicate to the Hat Mesa-Delaware Pool. Said unit is located approximately two-thirds of a mile south of a point on State Highway 176 approximately 1.7 miles from the intersection of U.S. Highways 62/180 and State Highway 176.

**CASE 10999:** **Application of Kaiser-Francis Oil Company to Amend Division Order No. R-10048, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks to change the surface location for its Pure Gold "B" Well No. 10 from a proposed location 10 feet from the South line and 145 feet from the West line (Unit M) of Section 16, Township 23 South, Range 31 East, to a new location being 10 feet from the South line and 480 feet from the East line (Unit P) of Section 17, Township 23 South, Range 31 East. Such change will necessitate an amendment to Division Order No. R-10048, dated December 16, 1993. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

**CASE 10962:** (Continued from May 12, 1994, Examiner Hearing.)

**Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NE/4 SE/4 of Section 30, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, forming 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. Said unit is to be dedicated to a well to be drilled and completed at a standard oil well location in the NE/4 SE/4 of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 10 miles east of Loving, New Mexico.

**CASE 11000:** **Application of Matador Petroleum Corporation for compulsory pooling, 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 Cisco formation underlying Lots 1 and 2, the NE/4 and E/2 NW/4 (N/2 equivalent) of Section 19, Township 20 South, Range 27 East, forming a standard 319.65-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 McMillan-Wolfcamp Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well location within said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5.5 miles southeast by south of Seven Rivers, New Mexico.

**DOCKET: EXAMINER HEARING - THURSDAY - JUNE 23, 1994**  
**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING**  
**SANTA FE, NEW MEXICO**

Dockets Nos. 20-94 and 21-94 are tentatively set for July 7, 1994 and July 21, 1994. 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 10976:** (Continued from June 9, 1994, Examiner Hearing.)

**Application of Harvey E. Yates 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 E/2 of Section 32, Township 17 South, Range 31 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 1.5 miles southwest of the junction of U.S. Highway 82 and State Road 529.

**CASE 11002:** **Application of West Largo Corporation for compulsory pooling, Sandoval County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Rusty-Chacra Pool underlying the SW/4 of Section 4, Township 21 North, Range 6 West, forming a standard 160-acre gas spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 9 miles south of Counselor, New Mexico.

**CASE 11003:** **Application of Hal J. Rasmussen Operating, Inc. for a pressure maintenance project, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project on its Farnsworth A Lease in Section 13, Township 26 South, Range 36 East, by the injection of water into the Seven Rivers formation, Scarborough Yates-Seven Rivers Pool, through its Farnsworth A Wells No. 1 and 2 located in Units A and P, respectively, of said Section 13. Said project is located approximately 4 miles south-southwest of Jal, New Mexico.

**CASE 11004:** **Application of Yates Petroleum Corporation for thirteen unorthodox infill gas well locations, Chaves County, New Mexico.** Applicant, in the above-styled cause, seeks approval of thirteen certain Pecos Slope-Abo Gas Pool infill gas well locations all located within its pilot enhanced gas recovery project, which was the subject of Division Order No. R-9976 and in Division Case No. 10981, comprising portions of Townships 5, 6, and 7 South, Ranges 25 and 26 East.

**CASE 11005:** **Application of Texaco Exploration and Production Inc. for pool reclassification, vertical extension, horizontal contraction and expansion, special pool rules, and for a special depth bracket allowable, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks to extend the vertical limits of the North Teague-Lower Paddock-Blinberry Gas Pool, presently comprising the N/2 of Section 9, Township 23 South, Range 37 East, to include the Tubb, Drinkard and Abo formations. Applicant also seeks to reclassify said pool as an oil pool and to contract its horizontal limits to delete the E/2 NE/4 of said Section 9 and to expand said boundary to include the N/2 SW/4 of said Section 9 and the E/2 NE/4 of offsetting Section 8. Further, the applicant seeks the promulgation of special pool rules including a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil and the assignment of a special depth bracket allowable of 400 barrels of oil per day. Said pool is located approximately 8 miles south of Eunice, New Mexico.

**CASE 10994:** (Continued from June 9, 1993, Examiner Hearing.)

**Application of Enserch Exploration, Inc. for the assignment at a special depth bracket oil allowable, Roosevelt County, New Mexico.** Applicant, in the above-styled cause, seeks a special depth bracket oil allowable, pursuant to General Rule 505(d), of 500 barrels of oil per day for the South Peterson-Fusselman Pool, which is located in portions of Townships 5 and 6 South, Ranges 32 and 33 East, being approximately 14 miles east of Kenna, New Mexico.

**CASE 11006:** **Application of Maralex Resources, Inc. for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 1 and 2, NE/4, E/2 NW/4 of Section 19, Township 30 North, Range 11 West, forming a standard 327.10-acre gas spacing and proration unit for said pool. Said well is to be dedicated to a well to be drilled at a standard coal gas well location in the NE/4 of said Section 19. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 2.5 miles south of the Aztec, New Mexico Municipal Airport.



**CASE 11007:** Application of Maralex Resources, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying Lots 3, 4 and 5 and the E/2 SW/4, N/2 SE/4 and SW/4 SE/4 of Section 19, Township 30 North, Range 11 West, forming a standard 326.26-acre gas spacing and proration unit for said pool. Said well is to be dedicated to a well to be drilled at a standard coal gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 2.5 miles south of the Aztec, New Mexico Municipal Airport.

**CASE 11008:** Application of GECKO, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location to be drilled 2414 feet from the North line and 1109 feet from the West line (Unit E) of Section 36, Township 16 South, Range 37 East, to test the Shipp-Strawn Pool, the S/2 NW/4 of said Section 36 to be dedicated to said well to form a standard 80-acre oil spacing and proration unit for said pool. Said unit is located approximately 5.5 miles north of Humble City, New Mexico.

**CASE 11009:** Application of GECKO, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location to be drilled 555 feet from the South line and 1648 feet from the West line (Unit N) of Section 26, Township 16 South, Range 37 East, Casey-Strawn Pool. The S/2 SW/4 of said Section 26 is to be dedicated to said well to form a standard 80-acre oil spacing and proration for said pool. Said unit is located approximately 6.5 miles north of Humble City, New Mexico.

**CASE 10996:** (Continued from June 9, 1994, Examiner Hearing.)

Application of Anadarko Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the W/2 of Section 22, Township 18 South, Range 32 East, forming a standard 320-acre gas spacing and proration unit. Said unit is to be dedicated to its existing Querecho Plains Unit Well No. 1 which was drilled at a standard gas well location 1980 feet from the South and West lines (Unit K) of said Section 22. Also to be considered will be the valuation of the existing wellbore and the cost of recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in recompleting said well. Said unit is located approximately 8 miles south-southwest from Maljamar, New Mexico.

**CASE 10962:** (Continued from June 9, 1994, Examiner Hearing.)

Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NE/4 SE/4 of Section 30, Township 23 South, Range 30 East, NMPM, Eddy County, New Mexico, forming 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. Said unit is to be dedicated to a well to be drilled and completed at a standard oil well location in the NE/4 SE/4 of said Section 30. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 10 miles east of Loving, New Mexico.

**CASE 11010:** 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 top of the Wolfcamp formation to the base of the Morrow formation, underlying the S/2 of Section 22, Township 19 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Cemetery-Morrow Gas Pool. Said unit is to be dedicated to its B&B Well No. 2 to be drilled and completed at a standard gas well location (Unit O) in said Section 22. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6 miles west of Lakewood, New Mexico.