

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 3, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 6-94 and 7-94 are tentatively set for February 17, 1994 and March 3, 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 January 20, 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 10828: (Continued from January 20, 1994, Examiner Hearing.)

Application of Merrion Oil & Gas Corporation for compulsory pooling and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin Dakota Pool underlying Lots 1 through 8 (N/2 equivalent) of Section 24, Township 27 North, Range 7 West, being a non-standard 352.07 acre gas spacing and proration unit presently dedicated to a well located 1720 feet from the North line and 1000 feet from the East line (Unit H) of said Section 24. The applicant proposes to drill an infill well at a standard gas well location in Lot 3 (NE/4 NW/4 equivalent) of said Section 24 in which said unit is also to be simultaneously dedicated. Also to be considered will be the cost of drilling and completing said infill 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 infill well. Said area is located approximately 20 miles southeast by east of Blanco, New Mexico.

CASE 10892: Application of Matador Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 SW/4 or in the alternative, the N/2 SW/4 of Section 5, Township 17 South, Range 37 East, forming either 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, which presently includes but is not necessarily limited to the Lovington-Drinkard Pool, OR IN THE ALTERNATIVE 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, which presently includes but is not necessarily limited to the West Knowles-Drinkard Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard oil well location in Unit L of said Section 5. 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 southeast of Lovington, New Mexico.

CASE 10900: Application of H. L. Brown, Jr. to amend Division Order No. R-9935 to approve an unorthodox gas well location, Roosevelt County, New Mexico. Applicant seeks to amend Division Order No. R-9935, which authorized applicant to drill his Federal #27-2 Well at an unorthodox oil well location in the Devonian formation, to now authorize applicant to produce said well from the Bluit-Wolfcamp Gas Pool, the top of said Wolfcamp formation in this well being an unorthodox gas well location of 2618 feet from the North line and 396 feet from the West line (Unit E), Section 27, Township 7 South, Range 37 East. The W/2 of said Section 27 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said unit is located approximately 10 miles east of Milnesand, New Mexico.

CASE 10894: (Continued from January 20, 1994, Examiner Hearing.)

Application of Exxon Corporation for a non-standard gas proration unit, Lea County, New Mexico. Applicant seeks the formation of an 80-acre non-standard gas proration unit comprising the NW/4 NE/4 (Unit B) of Section 34 and the SW/4 SE/4 (Unit O) of Section 27, Township 21 South, Range 37 East, Blinebry Oil and Gas Pool, to be dedicated to its F. F. Hardison "B" Well No. 4 located 660 feet from the North line and 1980 feet from the East line of said Section 34. Said well currently has a 40-acre non-standard gas proration unit authorized by Administrative Order No. NSP-1618. Said unit is located approximately in Eunice, New Mexico.

CASE 10895: (Continued from January 20, 1994, Examiner Hearing.)

Application of Exxon Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant seeks the formation of a 120-acre non-standard gas proration unit comprising the NW/4 SE/4 (Unit J), the NE/4 SE/4 (Unit I), and the SE/4 SE/4 (Unit P) of Section 27, Township 21 South, Range 37 East, Blinbry Oil and Gas Pool, to be simultaneously dedicated to its F. F. Hardison Well No. 7 located 660 feet from the South and East lines and Well No. 8 located 1980 feet from the South line and 660 feet from the East line, both in said Section 27. Said wells currently have a 120-acre non-standard gas proration unit and simultaneous dedication authorized by Administrative Order No. NSP-1482(SD). Said unit is located approximately in Eunice, New Mexico.

CASE 10886: (Continued from January 20, 1994, Examiner Hearing.)

Application of Exxon Corporation for acreage reorientation and for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to reorient the existing acreage currently dedicated in the Blinbry Gas Pool to its New Mexico "S" State Well No. 12, being the 79.50 acres comprising Lots 1 and 2 (N/2 NE/4 equivalent) of Section 2, Township 22 South, Range 37 East, and its New Mexico "S" State Well No. 14, being the 39.78 acres comprising Lot 3 (NE/4 NW/4 equivalent) of said Section 2, both non-standard units previously approved by Division Administrative Orders NSP-954-A and NSP-1599, respectively. The applicant now proposes to combine Lots 2 and 3 (the NW/4 NE/4 and NE/4 NW/4 equivalents) of said Section 2 to form a non-standard 79.52-acre gas spacing and proration unit in the Blinbry Gas Pool for the No. 14 well located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 2 and to dedicate the remaining 39.74 acres comprising Lot 1 (NE/4 NE/4 equivalent) to the No. 12 located 660 feet from the North and East lines (Unit A) of said Section 2. This acreage is located approximately two miles east southeast of Eunice, New Mexico.

CASE 10901: **Application of Amoco Production Company for surface injection pressure increase, Lea County, New Mexico.** Applicant seeks authority to inject water into its South Hobbs Grayburg San Andres Unit Well Nos. 8, 10, 25, 26, 113 and 114, all located in Section 6, Township 19 South, Range 38 East, NMPM, South Hobbs Grayburg-San Andres Unit Pressure Maintenance Project, Lea County, New Mexico, at a surface injection pressure which exceeds formation fracture pressure. Said wells are located at Hobbs, New Mexico.

CASE 10902: **Application of Amoco Production Company for a high angle/horizontal directional drilling pilot project area and special operating rules therefor, San Juan County, New Mexico.** Applicant seeks authority to institute a horizontal directional drilling project in the Blanco-Mesaverde Pool in the S/2 of Section 27, Township 32 North, Range 11 West. Applicant proposes to reenter its Van Hook L.S. Well No. 1 at a surface location 800 feet from the South line and 1090 feet from the West line (Unit M); kicking off from vertical, build angle a medium radius curve and continue drilling in said pool. Applicant further seeks special rules and provisions within the project area including authorization to cross quarter and quarter-quarter section lines and the designation of a prescribed area for the wellbore limiting the horizontal displacement of any drainhole to within 790 feet of the boundary of the project area. Said project area is located approximately 4.5 miles west by northwest of Cedar Hill.

CASE 10903: **Application of Marbob Energy Corporation for abolishment of the Grayburg-Paddock Pool and extension of the vertical limits of the Grayburg-Jackson Pool, Eddy County, New Mexico.** Applicant seeks an order abolishing the Grayburg-Paddock Pool located in portions of Section 18, Township 17 South, Range 30 East, and extending the vertical limits of the Grayburg-Jackson Pool to include the Glorieta Yeso (Paddock) formation under the Unit Area which is located in portions of Township 17 South, Ranges 29 and 30 East. The Burch Keely Unit Area is located 2 miles west of Loco Hills, New Mexico.

CASE 10904: **Application of Marbob Energy Corporation for authorization of unorthodox well locations within its Burch Keely Unit, Eddy County, New Mexico.** Applicant seeks authority to drill producing wells at unorthodox locations within its Burch Keely Unit located in portions of Township 17 South, Ranges 29 and 30 East, provided said locations shall be no closer than 330 feet to the outer boundary of the Unit Area nor closer than 25 feet to any quarter section line or quarter-quarter section line. Said unit area is located 2 miles west of Loco Hills, New Mexico.

CASE 10898: (Continued from January 20, 1994, Examiner Hearing.)

Application of Yates Petroleum Corporation for pool creation and the promulgation of special pool rules, Eddy County, New Mexico. Applicant seeks the creation of a new pool for the production of oil from the Wolfcamp formation underlying the NW/4 of Section 34, Township 18 South, Range 25 East and for the promulgation of special rules and regulations therefor including provisions for 160-acre oil spacing and proration units, designated well location requirements and a limit on the number of wells in a single proration unit. The proposed pool boundary is located approximately 5 1/2 miles west-southwest of Dayton, New Mexico.

CASE 10905: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface down through and including the Canyon formation underlying the SE/4 of Section 29, Township 19 South, Range 25 East. Said unit is to be dedicated to a well to be drilled at a standard location in the SE/4 of said Section 29 to test any and all formations to the base of the Canyon 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 the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles west of Lakewood, New Mexico.

CASE 10906: Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the SE/4 of Section 29, Township 19 South, Range 25 East, Eddy County, New Mexico, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to its Boyd "X" State Well No. 3 to be drilled and completed at a standard well location. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8 miles west of Lakewood, New Mexico.

CASE 10882: (Continued from January 6, 1994, Examiner Hearing.)

Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico. Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

NOTICE:

The Gas Proration Hearing To Determine Gas Allowables For April 1994 Through September 1994 Will Be Heard Before The Oil Conservation Commission On March 10, 1994.

DOCKET: COMMISSION HEARING - THURSDAY - FEBRUARY 10, 1994

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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

CASE 10907: In the matter of the hearing called by the Oil Conservation Division to amend Rules 1111, 1112, and 1115 of its General Rules and Regulations. The Oil Conservation Division seeks to amend its General Rules and Regulations to provide for the filing of Forms C-111, C-112, and C-115, respectively, on the last business day of the month following the month of production and to provide for the imposition of penalties for failure to file timely and accurate reports.

CASE 10771: (De Novo - Continued from January 13, 1994, Commission Hearing.)

Application of OXY USA Inc. to authorize the expansion of a portion of its Skelly Penrose "B" Unit Waterflood Project and qualify said expansion for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act," Lea County, New Mexico. Applicant seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovery Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying a portion of its Skelly Penrose "B" Unit Waterflood Project in Sections 4, 5, and 8 of Township 23 South, Range 37 East, Queen (Penrose) formation of the Langlie Mattix Seven Rivers-Queen-Grayburg Pool, for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Applicant further seeks authority to expand a portion of said project by means of a significant change in process including conversion to 40-acre five spot injection patterns. Said project area is located approximately 6 miles south of Eunice, New Mexico. Upon application of OXY USA Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10871: (De Novo)

Application of Santa Fe Energy Partners, L.P. for compulsory pooling and to shut-in a producing well, and for a non-standard spacing and proration unit, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the South Dagger Draw-Upper Pennsylvanian Associated Pool underlying the W/2 of Section 10, Township 20 South, Range 24 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, including the South Dagger Draw-Upper Pennsylvanian Associated Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location within said W/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling said well. Applicant also requests that the existing Yates Petroleum Corporation Judith "AJJ" Fed. Well No. 1, located 660 feet from the South and East lines of Section 9, Township 20 South, Range 24 East, be shut-in pending the drilling and completion of applicant's proposed well. Further, applicant requests approval for a non-standard spacing and proration unit in the South Dagger Draw-Upper Pennsylvanian Associated Pool for the proposed Ocotillo "ACI" Fed. Com Well No. 2 to be located at a standard location in the SE/4 of Section 10, Township 20 South, Range 24 East. Said area is located approximately 2 miles west of Seven Rivers, New Mexico. Upon application of Santa Fe Operating Partners, L.P., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10823: (De Novo - Continued from January 13, 1994, Commission Hearing.)

Application of Nearburg Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation, underlying the W/2 of Section 10, Township 22 South, Range 24 East, forming a standard 320-acre oil and gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Indian Basin-Upper Pennsylvanian Associated Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location within said W/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 12 miles west of Carlsbad, New Mexico. Upon application of Nearburg Producing Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10772: (De Novo - Continued from January 13, 1994, Commission Hearing.)

Application of Barber Oil Inc. for salt water disposal, Eddy County, New Mexico. Applicant seeks authority to utilize its Stovall-Wood Well No. 5 located 880 feet from the North line and 1580 feet from the West line (Unit C) of Section 20, Township 20 South, Range 30 East, to dispose of produced salt water into the Rustler Lime formation through the perforated interval from approximately 195 feet to 255 feet. Said well is located 2 miles northeast of the National Potash Company Mine. Upon application of Barber Oil Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 6, 1994
8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

Dockets Nos. 3-94 and 4-94 are tentatively set for January 20, 1994 and February 3, 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 October 21, 1993, 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 10888: (Continued from December 16, 1993, Examiner Hearing.)

Application of Merriam Oil & Gas Corporation for compulsory pooling and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin Dakota Pool underlying Lots 1 through 8 (N/2 equivalent) of Section 24, Township 27 North, Range 7 West, being a non-standard 352.07 acre gas spacing and proration unit presently dedicated to a well located 1720 feet from the North line and 1000 feet from the East line (Unit H) of said Section 24. The applicant proposes to drill an infill well at a standard gas well location in Lot 3 (NE/4 NW/4 equivalent) of said Section 24 in which said unit is also to be simultaneously dedicated. Also to be considered will be the cost of drilling and completing said infill 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 infill well. Said area is located approximately 20 miles southeast by east of Blanco, New Mexico.

CASE 10890: Application of Santa Fe Energy Operating Partners, L.P. for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks authority to drill its Kachina 5 Fed. Well No. 7 at an unorthodox oil well location 2130 feet from the North line and 990 feet from the West line (Unit E) of Section 5, Township 18 South, Range 33 East, to test the Wolfcamp formation (South Corbin-Wolfcamp Pool). The S/2 NW/4 of said Section 5 is to be dedicated to said well. Said well is located approximately 5 1/2 miles southeast of Maljamar, New Mexico.

CASE 10829: (Readvertised - Continued from December 2, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described areas in Section 32, Township 18 South, Range 34 East, and in the following manner: the S/2 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, the SE/4 forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the W/2 SE/4 forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, including the EK-Bone Spring Pool; and the NW/4 SE/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit is to be dedicated to the applicant's Larica 32 St. Well No. 1, to be drilled at an orthodox location within said S/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles west of the intersection of State Highway 529 and 8.

CASE 10870: (Continued from December 16, 1993, Examiner Hearing.)

Application of Pogo Producing Company for special pool rules for the Los Medanos-Delaware and West Sand Dunes-Delaware Pools, Eddy County, New Mexico. Applicant seeks the promulgation of special pool rules for both the Los Medanos-Delaware and West Sand Dunes-Delaware Pools including a provision for a gas-oil ratio limitation of 8,000 cubic feet of gas per barrel of oil. The Los Medanos-Delaware Pool covers all or parts of Sections 9, 16, and 17 and the West Sand Dunes-Delaware Pool covers all or parts of Sections 20, 21, 28, 29, 32, and 33, all in Township 23 South, Range 31 East. Said area is located approximately at mile marker 15 on State Highway 128.

CASE 10856: (Continued from December 16, 1993, Examiner Hearing.)

Application of Hanson Operating Company, Inc., for a high angle/horizontal directional drilling pilot project and for special operating rules therefore, Roosevelt County, New Mexico. Applicant seeks authority to initiate a short-radius high angle/horizontal directional drilling pilot project in the NW/4 SE/4 of Section 17, Township 8 South, Range 37 East, being a standard 40-acre oil spacing and proration unit in the Undesignated North Allison-San Andres Pool. Applicant proposes to utilize its existing Tuxedo Federal Well No. 1 located 1990 feet from the South line and 2004 feet from the East line (Unit J) of said Section 17 by kicking-off from vertical at an approximate depth of 4825 feet, build angle to approximately 90 degrees with a short radius curve and continue with a horizontal drainhole in said pool. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of any drainhole in said project area to within 330 feet of the outer boundary of said 40-acre unit. Said project area is located approximately 9.75 miles south by east of Milnesand, New Mexico.

CASE 10839: (Readvertised)

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying all of Section 28, Township 18 South, Range 34 East, forming a standard 640-acre gas spacing and proration unit for any Morrow Pools within said vertical extent which presently includes the Undesignated West La Rica-Morrow Gas Pool. Said unit is to be dedicated to its Ekay 28 State Well No. 1, to be drilled at an orthodox location within Unit J, 1980 feet from the South and East lines 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 located approximately 12 miles southeast of Maljamar, New Mexico.

CASE 10891: Application of Southland Royalty Company for approval of a waterflood project and qualification for the recovered oil tax rate, Lea County, New Mexico. Applicant seeks authority to institute its State "DS" Leasehold Waterflood Project by the injection of water into the San Andres formation, Spencer-San Andres Pool, a new project area consisting of 280 acres, more or less, being the SW/4, W/2 SE/4, and SE/4 SE/4 of Section 24, Township 17 South, Range 36 East. The applicant further seeks to qualify this project for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is centered approximately 5 1/2 miles northwest of Humble city, New Mexico.

CASE 10858: (Readvertised - Continued from December 2, 1993, Examiner Hearing.)

Application of Mitchell Energy Corporation for a waiver of the salt protection string requirements of Order No. R-111-P for certain wells, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order No. R-111-P from ten wells to be located in Section 4, Township 20 South, Range 33 East, and to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject wells are located north of Highway 180 some 4.75 miles northeast of the intersection of Highways 176 and 180 and are approximately 2.75 miles northeast of Laguna Gatuna, New Mexico.

CASE 10521: (Reopened - Continued from November 4, 1993, Examiner Hearing.)

In the matter of Case No. 10521 being reopened pursuant to the provisions of Order No. R-8170-L which order promulgated special rules and regulations for the South Blanco-Pictured Cliffs Pool establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony should it become apparent that continuation of a minimum gas allowable will not serve to prevent waste and protect correlative rights. This cause will be continued to a January 1994 docket.

CASE 10036: (Reopened - Continued from November 4, 1993, Examiner Hearing.)

In the matter of Case No. 10036 being reopened pursuant to the provisions of Order No. R-8170-G which order promulgated special rules and regulations for the Eumont Gas Pool, establishing a minimum gas allowable for said pool. Operators in the subject pool should be prepared to appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Eumont Gas Pool. This cause will be continued to a January 1994 docket.

CASE 10111: (Reopened - Continued from December 2, 1993, Examiner Hearing.)

In the matter of Case 10111 being reopened pursuant to the provisions of Division Order No. R-8170-J, as amended, which order established minimum gas allowables in the Jalmat Gas Pool in Lea County. Operators in said pool may appear and present evidence and testimony relevant to the continuation of a minimum gas allowable in the Jalmat Gas Pool. This case will be continued to the January 6, 1994, hearing.

CASE 10866: (Readvertised - Continued from December 16, 1993, Examiner Hearing.)

Application of OXY USA, Inc. to amend Division Order No. R-2901 and to either institute a new waterflood project or for waterflood expansion, Lea County, New Mexico. Applicant seeks to renew its authority, originally granted by Division Order No. R-2901, dated May 4, 1965, to inject water into the Eumont (Yates-Seven Rivers-Queen) Gas Pool within a portion of its East Eumont Unit located in Sections 33 and 34, Township 18 South, Range 37 East and in Sections 3, 4, 9, 10, 15 and 16, Township 19 South, Range 37 East, through 21 certain wells to be converted and one to be drilled. That portion of said Unit Area is covered in this application is located approximately 2 miles west of the Hobbs-Lea County, New Mexico.

CASE 10867: (Continued from December 16, 1993, Examiner Hearing.)

Application of OXY USA Inc. for Enhanced Oil Recovery Project Qualification for the recovered oil tax rate for the East Eumont Unit, Lea County, New Mexico. Applicant seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Project and Certification for the Recovery Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying the north portion of the East Eumont Unit for the Recovered Oil Tax Rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). The portion of the East Eumont Unit to be included in the project area is as follows: Portions of Sections 33 and 34, Township 18 South, Range 37 East; portions of Sections 3, 4, 9, 10, 15, and 16, Township 19 South, Range 37 East. Said project is located south of Hobbs, New Mexico.

CASE 10882: (Continued from December 16, 1993, Examiner Hearing.)

Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico. Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

DOCKET: COMMISSION HEARING - THURSDAY - JANUARY 13, 1994

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO
The Land Commissioner's designee for this hearing will be Jami Bailey and Gary Carlson

CASE 10719: (De Novo - Continued from November 10, 1993, Commission Hearing).

Application of Anadarko Petroleum Corporation for directional drilling and an unorthodox bottomhole gas well location, Eddy County, New Mexico. Applicant seeks authority to directionally drill its proposed Power Federal Com Well No. 2 from a surface location 1400 feet from the South line and 660 feet from the East line (Unit I) of Section 26, Township 17 South, Range 30 East, in such a manner as to bottom the well in the Cedar Lake-Morrow Gas Pool at an unorthodox subsurface gas well location within 75 feet of a point 660 feet from the South and East lines (Unit P) of said Section 26. The E/2 of said Section 26 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 3 miles east-southeast of Loco Hills, New Mexico. Upon application of Anadarko Petroleum Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10771: (De Novo - Continued from November 10, 1993, Commission Hearing.)

Application of OXY USA Inc. to authorize the expansion of a portion of its Skelly Penrose "B" Unit Waterflood Project and qualify said expansion for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act," Lea County, New Mexico. Applicant seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovery Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying a portion of its Skelly Penrose "B" Unit Waterflood Project in Sections 4, 5, and 8 of Township 23 South, Range 37 East, Queen (Penrose) formation of the Langlie Mattix Seven Rivers-Queen-Grayburg Pool, for the recovered oil tax rate under the "Enhanced Oil Recovery Act" (Law 1992, Chapter 38, Sections 1 through 5). Applicant further seeks authority to expand a portion of said project by means of a significant change in process including conversion to 40-acre five spot injection patterns. Said project area is located approximately 6 miles south of Eunice, New Mexico. Upon application of OXY USA Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10345: (De Novo - Continued from November 10, 1993, Commission Hearing.)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #390 to determine the reasonableness of such costs pursuant to the provisions of Commission Order No. R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

CASE 10346: (De Novo - Continued from November 10, 1993, Commission Hearing.)

Application of Louise Y. Locke to consider objections to well costs, San Juan County, New Mexico. Applicant requests the Commission review actual well costs charged against her interest by BHP Petroleum (Americas), Inc., for the drilling of the Gallegos Canyon Unit Well #391 to determine the reasonableness of such costs pursuant to the provisions of Commission Order No. R-9581-A. Said well is located at the southeast edge of Farmington, New Mexico.

CASE 10653: (Continued from November 10, 1993, Commission Hearing.)

Application of Armstrong Energy Corporation for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the Northeast Lea-Delaware Pool including a provision for a special oil allowable of 300 barrels of oil per day. Said pool is located in portions of Townships 19 and 20 South, Range 34 East, located near the Warren Gas Company Compressor Station.

CASE 10773: (Continued from November 10, 1993, Commission Hearing.)

Application of Armstrong Energy Corporation for pool extension and abolishment, Lea County, New Mexico. Applicant, in the above-styled cause, and in association with De Novo Case No. 10653, seeks to abolish the Quail Ridge-Delaware Pool comprising the SW/4 of Section 3, SE/4 of Section 4, NE/4 of Section 9, N/2 and SW/4 of Section 10, all in Township 20 South, Range 34 East and the concomitant extension of the horizontal limits of the Northeast Lea-Delaware Pool to include all of above-described acreage plus the SE/4 of said Section 3. This area is centered approximately 1.5 miles south of U.S. Highway 62/180 at Milemarker No. 79.

CASE 10831: (DE NOVO)

Application of Robert L. Bayless for downhole commingling, Rio Arriba County, New Mexico. Applicant seeks approval to downhole commingle oil production from the Cabresto-Gallup and East Blanco-Pictured Cliffs fields within the wellbore of the Simms Com Well No. 1, located in Unit J of Section 13, Township 30 North, Range 4 West. Said well is located approximately 7.5 miles east of Ojo Encino Trailer School. Upon application of Robert L. Bayless, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10772: (DE NOVO)

Application of Barber Oil Inc. for salt water disposal, Eddy County, New Mexico. Applicant seeks authority to utilize its Stovall-Wood Well No. 5 located 880 feet from the North line and 1580 feet from the West line (Unit C) of Section 20, Township 20 South, Range 30 East, to dispose of produced salt water into the Rustler Lime formation through the perforated interval from approximately 195 feet to 255 feet. Said well is located 2 miles northeast of the National Potash Company Mine. Upon application of Barber Oil Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10823: (DE NOVO)

Application of Nearburg Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation, underlying the W/2 of Section 10, Township 22 South, Range 24 East, forming a standard 320-acre oil and gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Indian Basin-Upper Pennsylvanian Associated Pool. Said unit is to be dedicated to a well to be drilled at an orthodox location within said W/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 12 miles west of Carlsbad, New Mexico. Upon application of Nearburg Producing Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 10788: (DE NOVO)

Application of Nearburg Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation, underlying the E/2 of Section 2, Township 22 South, Range 24 East, forming a standard 320-acre oil spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the undesignated South Indian Basin-Upper Pennsylvanian Pool created in Division Case No. 10748. Said unit is to be dedicated to a well to be drilled at an orthodox location within said E/2 proration unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said well is located near Little Walt Spring.

CASE 10790: (DE NOVO)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface through the Morrow formation, underlying the S/2 of Section 2, Township 22 South, Range 24 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said unit is to be dedicated to its Androcles "AND" State Com Well No. 1 located 1980 feet from the South and East lines of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said well is located just east of Little Walt Spring. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 16, 1993**8:15 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING****SANTA FE, NEW MEXICO**

Dockets Nos. 1-94 and 2-94 are tentatively set for January 6, 1994 and January 20, 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 10883: Application of PG&E Resources Company for a unit agreement, Sandoval County, New Mexico. Applicant seeks approval of the Hatch Lake Unit Agreement for an area comprising 24,852.84 acres, more or less, of State, Federal and Fee lands in a portion of Townships 21 and 22 North, Range 1 West, which is located in an area between the communities of Cuba and Regina, New Mexico.

CASE 10884: Application of Gecko, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks authority to drill its Gecko State "35" Well No. 1 at an unorthodox oil well location 434 feet from the North line and 1762 feet from the East line (Unit B) of Section 35, Township 16 South, Range 37 East, to test the Undesignated Casey-Strawn Pool, the N/2 NE/4 of said Section 35 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 6 miles north of Humble City, New Mexico.

CASE 10870: (Continued from November 18, 1993, Examiner Hearing.)

Application of Pogo Producing Company for special pool rules for the Los Medanos-Delaware and West Sand Dunes-Delaware Pools, Eddy County, New Mexico. Applicant seeks the promulgation of special pool rules for both the Los Medanos-Delaware and West Sand Dunes-Delaware Pools including a provision for a gas-oil ratio limitation of 8,000 cubic feet of gas per barrel of oil. The Los Medanos-Delaware Pool covers all or parts of Sections 9, 16, and 17 and the West Sand Dunes-Delaware Pool covers all or parts of Sections 20, 21, 28, 29, 32, and 33, all in Township 23 South, Range 31 East. Said area is located approximately at mile marker 15 on State Highway 128.

CASE 10866: (Readvertised)

Application of OXY USA, Inc. to amend Division Order No. R-2901 and to either institute a new waterflood project or for waterflood expansion, Lea County, New Mexico. Applicant seeks to renew its authority, originally granted by Division Order No. R-2901, dated May 4, 1965, to inject water into the Eumont (Yates-Seven Rivers-Queen) Gas Pool within a portion of its East Eumont Unit located in Sections 33 and 34, Township 18 South, Range 37 East and in Sections 3, 4, 9, 10, 15 and 16, Township 19 South, Range 37 East, through 21 certain wells to be converted and one to be drilled. That portion of said Unit Area is covered in this application is located approximately 2 miles west of the Hobbs-Lea County, New Mexico.

CASE 10867: (Continued from November 18, 1993, Examiner Hearing.)

Application of OXY USA Inc. for Enhanced Oil Recovery Project Qualification for the recovered oil tax rate for the East Eumont Unit, Lea County, New Mexico. Applicant seeks an order pursuant to the rules and procedures for Qualification of Enhanced Oil Recovery Project and Certification for the Recovery Oil Tax Rate, as promulgated by Division Order No. R-9708, qualifying the north portion of the East Eumont Unit for the Recovered Oil Tax Rate under the "Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). The portion of the East Eumont Unit to be included in the project area is as follows: Portions of Sections 33 and 34, Township 18 South, Range 37 East; portions of Sections 3, 4, 9, 10, 15, and 16, Township 19 South, Range 37 East. Said project is located south of Hobbs, New Mexico.

CASE 10874: (Continued from December 2, 1993, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, unorthodox well location, and non-standard spacing units, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying following described areas in Section 19, Township 19 South, Range 29 East, and in the following manner: the W/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 gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the SW/4 SW/4 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit is to be dedicated to its Parkchester "19" State Well No. 1 to be drilled at an unorthodox location 990 feet from the South line and 740 feet from the West line 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 said well. Said area is located approximately 17 miles southeast of Artesia, New Mexico.

CASE 10885: Application of Meridian Oil, Inc. for an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks authority to drill its Ute Well No. 24 at an unorthodox gas well location 1595 feet from the North line and 1250 feet from the West line (Unit E) of Section 20, Township 32 North, Range 14 West, to be dedicated to a standard 640-acre spacing unit consisting of all of said Section 20. Said location is approximately 8 miles west-northwest of La Plata, New Mexico.

CASE 10886: Application of Exxon Corporation for acreage reorientation and for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to reorient the existing acreage currently dedicated in the Blinebry Gas Pool to its New Mexico "S" State Well No. 12, being the 79.50 acres comprising Lots 1 and 2 (N/2 NE/4 equivalent) of Section 2, Township 22 South, Range 37 East, and its New Mexico "S" State Well No. 14, being the 39.78 acres comprising Lot 3 (NE/4 NW/4 equivalent) of said Section 2, both non-standard units previously approved by Division Administrative Orders NSP-954-A and NSP-1599, respectively. The applicant now proposes to combine Lots 2 and 3 (the NW/4 NE/4 and NE/4 NW/4 equivalents) of said Section 2 to form a non-standard 79.52-acre gas spacing and proration unit in the Blinebry Gas Pool for the No. 14 well located at a standard gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 2 and to dedicate the remaining 39.74 acres comprising Lot 1 (NE/4 NE/4 equivalent) to the No. 12 located 660 feet from the North and East lines (Unit A) of said Section 2. This acreage is located approximately two miles east southeast of Eunice, New Mexico.

CASE 10854: (Reopened)

Application of Phillips Petroleum Company for a special oil allowable for the Cabin-Lake Delaware Pool, Eddy County, New Mexico. Applicant seeks an order establishing a special oil allowable of 187 barrels of oil per day at a 2,000 to 1 GOR for the Cabin Lake-Delaware Pool located in portions of Townships 21 and 22 South, Range 30 East. Applicant further seeks the cancellation of any overproduction charged against any well in the pool as of the effective date of any order entered in this case. This pool is in the Nash Draw area and its center is located approximately 1 mile north of Smith, New Mexico.

CASE 10859: (Continued from November 18, 1993, Examiner Hearing.)

Application of Hallwood Petroleum, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the E/2 of Section 33, Township 30 North, Range 12 West. Said unit is be dedicated to a well to be drilled at a standard location in the E/2 of said Section 33 to test any and all formations to the base of the Pictured Cliffs formation including the Fruitland formation, Basin-Fruitland Coal Gas Pool and the Pictured Cliffs formation, Fulcher Kutz-Pictured Cliffs 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 said well. Said area is located approximately 2 miles southeast of Flora Vista, New Mexico.

CASE 10850: (Continued from November 18, 1993, Examiner Hearing.)

Application of Hallwood Petroleum, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the W/2 of Section 14, Township 29 North, Range 13 West. Said unit is be dedicated to a well to be drilled at a standard location in the W/2 of said Section 14 to test any and all formations to the base of the Pictured Cliffs formation including the Fruitland formation, Basin-Fruitland Coal Gas Pool and the Pictured Cliffs formation, West Kutz-Pictured Cliffs 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 unit is located approximately 5 miles south of Berry Park.

CASE 10851: (Continued from November 18, 1993, Examiner Hearing.)

Application of Hallwood Petroleum, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the S/2 of Section 28, Township 30 North, Range 12 West. Said unit is be dedicated to a well to be drilled at a standard location in the S/2 of said Section 28 to test any and all formations to the base of the Pictured Cliffs formation including the Fruitland formation, Basin-Fruitland Coal Gas Pool and the pictured Cliffs formation, Fulcher Kutz-Pictured Cliffs 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 unit is located approximately 1 mile south of Farmington Lake.

CASE 10878: (Readvertised - Continued from December 2, 1993, Examiner Hearing.)

Application of Kinlaw Oil Corporation for a leasewide high angle/horizontal directional drilling pilot project and for the promulgation of special operating rules therefor, Lea County, New Mexico. Applicant seeks to establish a high angle/horizontal directional drilling pilot project in the Denton-Devonian Pool within its Mexico "F" (State) Lease comprising Lots 1 through 4 (N/2 N/2 equivalent) and the SW/4 NE/4 and SW/4 NW/4 of Section 2, Township 15 South, Range 37 East. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said lease including provisions for administrative authorization for horizontal/high angle wellbores, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, and the assignment a special oil allowable or formula for the project area. The Mexico "F" Lease is located approximately 3.5 miles south southeast of Prairieview, New Mexico.

CASE 10856: (Continued from December 2, 1993, Examiner Hearing.)

Application of Hanson Operating Company, Inc., for a high angle/horizontal directional drilling pilot project and for special operating rules therefore, Roosevelt County, New Mexico. Applicant seeks authority to initiate a short-radius high angle/horizontal directional drilling pilot project in the NW/4 SE/4 of Section 17, Township 8 South, Range 37 East, being a standard 40-acre oil spacing and proration unit in the Undesignated North Allison-San Andres Pool. Applicant proposes to utilize its existing Tuxedo Federal Well No. 1 located 1990 feet from the South line and 2004 feet from the East line (Unit J) of said Section 17 by kicking-off from vertical at an approximate depth of 4825 feet, build angle to approximately 90 degrees with a short radius curve and continue with a horizontal drainhole in said pool. Applicant further seeks special rules and provisions within the project area including the designation of a prescribed area limiting the horizontal displacement of any drainhole in said project area to within 330 feet of the outer boundary of said 40-acre unit. Said project area is located approximately 9.75 miles south by east of Milnesand, New Mexico.

CASE 10887: Application of Kaiser-Francis Oil Company for directional drilling, Eddy County, New Mexico. Applicant seeks to test and develop the Undesignated Los Medanos-Delaware and/or Undesignated West Sand Dunes-Delaware Pools underlying the NE/4 of Section 20 and the W/2 NE/4 and NW/4 of Section 21, Township 23 South, Range 31 East, by drilling directional into the ten 40-acre standard oil well spacing and proration units comprising said area from ten various surface locations around its periphery in Sections 16, 17, 20 and 21. Said area is located approximately 5.5 miles northwest of the Lea/Eddy County line on State Highway No. 128.

CASE 10888: Application of Merriam Oil & Gas Corporation for compulsory pooling and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin Dakota Pool underlying Lots 1 through 8 (N/2 equivalent) of Section 24, Township 27 North, Range 7 West, being a non-standard 352.07 acre gas spacing and proration unit presently dedicated to a well located 1720 feet from the North line and 1000 feet from the East line (Unit H) of said Section 24. The applicant proposes to drill an infill well at a standard gas well location in Lot 3 (NE/4 NW/4 equivalent) of said Section 24 in which said unit is also to be simultaneously dedicated. Also to be considered will be the cost of drilling and completing said infill 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 infill well. Said area is located approximately 20 miles southeast by east of Blanco, New Mexico.

CASE 10748: (Reopened)

In the matter of Case No. 10748 being reopened upon application of Yates Petroleum Corporation to amend the spacing requirements for the Indian Basin-Upper Pennsylvanian Associated Pool established by Order No. R-9922, Eddy County, New Mexico. Division Order No. R-9922 granted the application of Yates Petroleum Corporation for creation of the Indian Basin-Upper Pennsylvanian Associated Pool and the adoption of temporary Special Rules and Regulations therefor including 320-acre spacing. At this time Yates Petroleum Corporation requests the Division to amend the Special Rules and Regulations for said pool to provide for 160-acre spacing and proration units. Said area is located approximately 2 miles east of Lone Butte.

CASE 10882: (Continued from December 2, 1993, Examiner Hearing.)

Application of James C. Brown, Trustee, and Bayshore Production Co., Limited Partnership, to vacate and void Division Administrative Orders NSP-1632(L)(SD) and NSP-1633(L), Lea County, New Mexico. Applicants seeks approval of an order from the Division vacating and voiding Administrative Order NSP-1633(L) covering the N/2 N/2 (equivalent) and Administrative Order NSP-1632(L) (SD) covering the S/2 N/2 (equivalent) of Section 7, Township 23 South, Range 37 East, Jalmat Gas Pool. The said units are located approximately 8 miles south-southwest of Eunice, New Mexico.

CASE 10889: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Upper Penn production and designated as the Dagger Draw-Upper Penn., Northwest Gas Pool. The discovery well is the Yates Petroleum Corp. Irish Hills KW State Well No. 3 located in Unit A of Section 2, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 2: N/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Indian Basin-Strawn, Northwest Gas Pool. The discovery well is the Central Resources, Inc. Shell Federal Well No. 1 located in Unit R of Section 6, Township 21 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 6: S/2

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Livingston Ridge-Atoka, Northeast Gas Pool. The discovery well is the Mitchell Energy Corp. Apache 13 Federal Well No. 1 located in Unit H of Section 13, Township 22 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM

Section 13: E/2

- (d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Livingston Ridge-Delaware, South Pool. The discovery well is the Devon Energy Corp. Barclay 11G Federal Well No. 7 located in Unit G of Section 11, Township 23 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 11: NE/4

- (e) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Siluro-Devonian production and designated as the Long Arroyo-Siluro Devonian Pool. Further, assign a discovery allowable of approximately 39,655 barrels of oil to the discovery well, the Hanagan Petroleum Corp. Charlie State Well No. 1 located in Unit G of Section 7, Township 13 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 28 EAST, NMPM

Section 7: NE/4

- (f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the McMillan-Atoka, Southwest Gas Pool. The discovery well is the Barbara Fasken Lake McMillan Federal Well No. 1 located in Unit I of Section 30, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM

Section 30: E/2

- (g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Poker Lake-Delaware, Southwest Pool. The discovery well is the Fortson Oil Co. Poker Lake Unit No. 78 located in Unit A of Section 25, Township 24 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM

Section 25: NE/4

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

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM.

Section 1: SW/4

Section 12: NW/4

- (i) EXTEND the Avalon-Bone Spring, East Gas Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM.

Section 29: S/2

Section 32: NW/4

- (j) EXTEND the Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM.

Section 9: N/2

- (k) EXTEND the Burton-Yates, South Gas Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM.

Section 28: NW/4

- (l) EXTEND the Burton Flat-Strawn, West Gas Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM.

Section 12: S/2

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

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM.

Section 2: NW/4

Section 12: SW/4

- (n) EXTEND the Dagger Draw-Upper Penn., South Associated Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM.

Section 34: E/2

- (o) EXTEND the Dos Hermanos-Morrow, Northeast Gas Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM.

Section 12: W/2 and NE/4

- (p) EXTEND the Hackberry-Strawn, South Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 20 SOUTH, RANGE 31 EAST, NMPM.

Section 4: N/2, N/2, SE/4 and SW/4, SE/4

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

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM.

Section 1: NW/4

- (r) EXTEND the Illinois Camp-Morrow, North Gas Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM.

Section 17: W/2

- (s) EXTEND the Indian Basin-Upper Penn Associated Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM.

Section 2: W/2

- (t) EXTEND the Indian Draw-Delaware, East Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM.

Section 3: SE/4

- (u) EXTEND the Indian Flats-Delaware Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM.

Section 26: NE/4 and S/2

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

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM.

Section 23: SE/4

Section 24: NW/4

Section 36: NW/4

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM.

Section 2: SW/4

Section 11: NW/4

- (w) EXTEND the La Huerta-Delaware Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM.

Section 16: NE/4

- (x) EXTEND the Logan Draw-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM.

Section 35: E/2 and NW/4

- (y) EXTEND the Los Medanos-Delaware Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM.

Section 8: SE/4

Section 16: NE/4

- (z) EXTEND the Nash Draw-Brushy Canyon Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 23 SOUTH, RANGE 29 EAST, NMPM.

Section 13: SE/4

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM.

Section 18: NW/4

- (aa) EXTEND the Power-Grayburg San Andres Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM.

Section 1: SE/4

- (bb) EXTEND the Quahada Ridge-Delaware, Southeast Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM.

Section 1: N/2

- (cc) EXTEND the Red Lake-Atoka Morrow Gas Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM.

Section 14: W/2

- (dd) EXTEND the Sand Dunes-Delaware, South Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM.

Section 6: SE/4

- (ee) EXTEND the Sand Dunes-Delaware, West Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM.

Section 33: SW/4

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM.

Section 4: NW/4

Section 5: E/2

- (ff) EXTEND the Walters Lake-Bone Spring Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM.

Section 11: NW/4

- (gg) EXTEND the Willow Lake-Delaware Pool in Eddy County, New Mexico, to include therein.

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM.

Section 36: E/2

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM.

Section 31: SW/4