

**DOCKET: EXAMINER HEARING - THURSDAY - JULY 27, 1995****8:15 A.M. - 2040 South Pacheco****Santa Fe, New Mexico**

Dockets Nos 24-95 and 25-95 are tentatively set for August 10, 1995 and August 24, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 11275:** (Continued from June 29, 1995, Examiner Hearing.)

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

**CASE 11327:** (Continued from July 13, 1995, Examiner Hearing.)

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

**CASE 11328:** (Continued from July 13, 1995, Examiner Hearing.)

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

**CASE 11329:** (Continued from July 13, 1995, Examiner Hearing.)

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

**CASE 11342:** Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SE/4 NW/4 (Unit F) of Section 32, Township 23 South, Range 32 East, forming a standard 40-acre oil spacing and proration unit. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 2 miles northeast of State Highway No. 128 at the Lea/Eddy County line.

**CASE 11343:** Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the following described acreage in Section 27, Township 21 South, Range 33 East, and in the following manner: the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Legg Atoka-Morrow Gas Pool; and, the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent. Said unit(s) are to be dedicated to the applicant's proposed Spessartine "27" State Well No. 1 to be drilled and completed at a standard gas well location 1980 feet from the North and West lines of said Section 27. 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(s) are located approximately 23 miles west of Eunice, New Mexico.

**CASE 11344:** Application of Arch Petroleum Inc. for three unorthodox infill oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill its C. E. LaMunyon Well Nos. 51, 52, and 53 at unorthodox oil well locations in the Teaque-Blinebry Pool. Each well will be an infill oil well on existing 40-acre oil spacing and proration units comprising the NE/4 NE/4 (Unit A) and the NE/4 NW/4 (Unit C) of Section 21 and the SW/4 SW/4 (Unit M) of Section 22, all in Township 23 South, Range 37 East. The lease in which these wells are to be drilled is located approximately 10 miles south of Eunice, New Mexico.

**CASE 11335:** (Continued from July 13, 1995, Examiner Hearing.)

Application of Naumann Oil & Gas, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 34, Township 18 South, Range 29 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to the Empire "34" Federal Well No. 1 which is an existing well located at a standard gas well location 1980 feet from the North line and 1980 feet from the East line (Unit G) of Section 34 and which is to be re-entered and deepened in an attempt to complete in the Morrow formation. Also to be considered will be the costs of re-entering, deepening and completing said well and the allocation of those costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in re-entering, deepening and completing said well. Said unit is located approximately 9 miles southwest of Loco Hills, New Mexico.

**CASE 11345:** Application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Robina Draw Unit Agreement for an area comprising 1920.00 acres, more or less, of Federal and State lands in Sections 15, 16, 21 and 22 of Township 23 South, Range 24 East, which is located approximately 10.5 miles northwest of White City, New Mexico.

**CASE 11346:** Application of Yates Petroleum Corporation for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle North Dagger Draw-Upper Pennsylvanian Pool oil production with gas from the Dagger Draw-Wolfcamp Gas Pool within the wellbore of its Huisache "AHI" State Com Well No. 1, located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 2, Township 20 South, Range 24 East, which is located approximately 7.5 miles west of Seven Rivers, New Mexico.

**CASE 11347:** Application of Yates Petroleum Corporation for Amendment of Division Order No. R-10349 for expansion of the Quincy "AMQ" San Andres Pressure Maintenance Project, for qualification of this project for the Recovered Oil Tax Credit pursuant to the "New Mexico Oil Recovery Act", and for pressure maintenance expansion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Division Order No. R-10349 authorizing an expansion of its Quincy "AMQ" San Andres Pressure Maintenance Project to include the W/2 NE/4, N/2 NW/4, SW/4 NW/4, E/2 SW/4, and W/2 SE/4 of Section 12, Township 8 South, Range 27 East. The applicant further requests to expand said project to include its Quincy "AMQ" State well No. 9, located 2310 feet from the North and East lines (Unit G) of said Section 12, as an injection well into the Southwest Acme-San Andres Pool through the perforated interval from approximately 2184 feet to 2229 feet. Applicant further seeks to qualify this project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said area of interest is located approximately 7 miles southwest by west of Elkins, New Mexico.

**CASE 10898:** (Reopened - This Case Will Be Continued to August 24, 1995.)

In the matter of Case No. 10898 being reopened pursuant to the provisions of Division Order No. R-10056, which promulgated special pool rules and regulations for the Penasco Draw-Wolfcamp Pool in Eddy County, New Mexico, including a provision for 160-acre spacing and proration units and designated well location requirements. Operators in the subject pool may appear and show cause why the temporary special rules and regulation for the Pensaco Draw-Wolfcamp Pool should not be rescinded.

**CASE 11348:** Application of Strata Production Company for an unorthodox location, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the well location requirements of Division General Rule 104 to permit the drilling of the Alondra Well No. 1 at an unorthodox location 1213 feet from the South line and 888 feet from the West line (Unit M) of Section 17, Township 7 South, Range 34 East (being approximately 5 miles northwest by north of Milnesand, New Mexico), to a depth sufficient to test the Devonian formation.

**CASE 11227:** (Continued from June 15, 1995, Examiner Hearing.)

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

**CASE 11326:** (Readvertised)

Application of Texaco Exploration and Production Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, a non-standard oil proration unit, simultaneous dedication, and a special project allowable, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the West Lindrith Gallup-Dakota Oil Pool underlying the S/2 of Section 21, Township 25 North, Range 5 West, to form a non-standard 320-acre oil spacing and proration unit for said pool. The applicant proposes to recomplete the existing Jicarilla "C" Well No. 35, located at a standard surface location 1850 feet from the South line and 1190 feet from the West line (Unit L) of said Section 21, by kicking-off from vertical in an easterly direction commencing to build angle at an appropriate rate to horizontally traverse the proposed producing area. Further, the applicant seeks the promulgation of special operating rules and procedures therefor including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 790 feet to the outer boundary of the project area. The applicant also requests the assignment of a special project allowable for the proposed oversized oil spacing and proration unit to be simultaneously dedicated to both the Jicarilla "C" Well No. 35 and to the Jicarilla "C" Well No. 26, located at a standard oil well location 1850 feet from the South line and 790 feet from the East line (Unit I) of said Section 21. Said area is located approximately 18.5 miles west by north of Lindrith, New Mexico.

**CASE 11330:** (Continued from July 13, 1995, Examiner Hearing.)

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

**CASE 11331:** (Continued from July 13, 1995, Examiner Hearing.)

Application of Meridian Oil Inc. for downhole commingling, a non-standard gas proration unit, an unorthodox gas well location and dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle East Blanco-Pictured Cliffs Gas Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its San Juan 30-4 Unit Well No. 40 to be drilled at an unorthodox gas well location 2450 feet from the South line and 2270 feet from the East line (Unit J) of Section 21, Township 30 North, Range 4 West. The E/2 of Section 21 is to be dedicated to the subject well in the Basin-Fruitland Coal Gas Pool thereby forming a standard 320-acre gas spacing and proration unit for said pool. The applicant further seeks to establish a 320-acre non-standard gas proration unit for the East Blanco-Pictured Cliffs Gas Pool comprising the E/2 of Section 21. The applicant further seeks authority to dually complete this well as an East Blanco-Pictured Cliffs/Basin-Fruitland Coal Gas Pool and Blanco-Mesaverde Gas Pool producing well. Said well is located approximately 10.5 miles southeast of Navajo Lake State Park.

**CASE 11323:** (Continued from July 13, 1995, Examiner Hearing.)

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

**CASE 11338:** (Continued from July 13, 1995, Examiner Hearing.)

Application of Stevens & Tull Inc. for an exception to the salt protection casing string requirement of Division Order No. R-111-P for certain wells located in portions of Township 20 South, Range 33 East, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the salt protection casing string requirement contained within Division Order No. R-111-P for certain oil wells to be located in Sections 9, 10, and 16, Township 20 South, Range 33 East, to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject area is located north of Highway 180 some 4 miles northeast from the intersection of Highways 176 and 180 and approximately 1 mile east of Laguna Gatuna.

**CASE 11349:** Application of Conoco Inc. for downhole commingling and for two unorthodox gas well locations, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks exceptions from Division General Rule 303(C) to establish on an area-wide basis authorization for downhole commingling of Basin-Dakota and Blanco-Mesaverde Gas Pool production in the wellbores of existing or future wells drilled anywhere within the San Juan 28-7 Unit including the approval of 17 new wells to be drilled as downhole commingled Dakota-Mesaverde wells and the approval to convert 14 existing Dakota wells by downhole commingling Dakota and Mesaverde production within those wellbores. This Unit is located in all of Township 28 North, Range 7 West, and portions of Township 27 North, Range 7 West. In addition, the applicant seeks approval to drill its San Juan 28-7 Unit Well Nos. 125M and 157N at unorthodox gas well locations 580 feet from the North line and 1140 feet from the West line (Unit D) of Section 12, and 780 feet from the South line and 703 feet from the East line (Unit P) of Section 11, respectively, both in Township 27 North, Range 7 West. The center of said area is located approximately 10 miles southeast of Navajo City, New Mexico.

**CASE 11283:** (Continued from July 13, 1995, Examiner Hearing.)

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

**CASE 11264:** (Continued from July 13, 1995, Examiner Hearing.)

**Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 24, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Fairchild "24" Well No. 2 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 24. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles west-northwest of Lakewood, New Mexico.

**CASE 11339:** (Continued from July 13, 1995, Examiner Hearing.)

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

**CASE 11337:** (Continued from July 13, 1995, Examiner Hearing.)

**Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation within a portion of Section 29, Township 17 South, Range 27 East, 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 gas spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Jennings Spring-Wolfcamp Gas Pool, the Undesignated Logan Draw-Morrow Gas Pool, the Undesignated Logan Draw Cisco-Canyon Gas Pool, the Undesignated Red Lake-Pennsylvanian Gas Pool, and the Undesignated West Logan Draw-Morrow Gas Pool; and,

the SE/4 forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent.

Said unit(s) are to be dedicated to the applicant's proposed Sandy Crossing "29" Well No. 1 to be drilled and completed at a standard gas well location within the SW/4 SE/4 of Section 29. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling said well. Said unit(s) are located approximately 7 miles southeast of Artesia, New Mexico.

**CASE 11263:** (Continued from July 13, 1995, Examiner Hearing.)

**Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 21, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Ross "EG" Federal Com Well No. 14 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.25 miles west by north of Lakewood, New Mexico.

**CASE 11265:** (Continued from July 13, 1995, Examiner Hearing.)

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

**CASE 11334:** (Continued from July 13, 1995, Examiner Hearing.)

Application of Phillips Petroleum Company for a determination in accordance with Section 70-2-33 (H) NMSA (1978) of the proportionate share of recoverable hydrocarbons and for the adoption of a special oil allowable for the South Peterson-Fusselman Pool, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks a determination, in accordance with Section 70-2-33 (H) NMSA (1978) of the proportionate share of recoverable hydrocarbons to be allocated to each spacing and proration unit in the South Peterson-Fusselman Pool. The applicant further seeks the adoption of a special oil allowable of 267 barrels of oil per day within the South Peterson-Fusselman Pool effective January 1, 1995. Said pool is located in portions of Townships 5 and 6 South, Ranges 32 and 33 East. This pool is located approximately 21 miles southeast of Kenna, New Mexico.

**DOCKET: EXAMINER HEARING - THURSDAY - JULY 13, 1995**

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 22-95 and 23-95 are tentatively set for July 27, 1995 and August 10, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 11229:** (Continued from May 4, 1995, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Phoenix Resources Company, and all other interested parties to appear and show cause why the Powell Well No. 1 (API No. 30-005-60668), located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 23, Township 7 South, Range 28 East, Chaves County, New Mexico (which is approximately 1/2 mile west of Elkins, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have the well properly plugged and abandoned and to direct the owner/operator to pay the costs of such plugging.

**CASE 11292:** (Continued from June 29, 1995, Examiner Hearing.)

Application of Robert L. Bayless for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the NW/4 of Section 18, Township 24 North, Range 6 West, thereby forming a standard 160-acre spacing and proration unit for the Ballard-Pictured Cliffs Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles northwest of Counselor, New Mexico.

**CASE 11330:** (Continued from June 29, 1995, Examiner Hearing.)

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

**CASE 11331:** Application of Meridian Oil Inc. for downhole commingling, a non-standard gas proration unit, an unorthodox gas well location and dual completion, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to downhole commingle East Blanco-Pictured Cliffs Gas Pool and Basin-Fruitland Coal Gas Pool production within the wellbore of its San Juan 30-4 Unit Well No. 40 to be drilled at an unorthodox gas well location 2450 feet from the South line and 2270 feet from the East line (Unit J) of Section 21, Township 30 North, Range 4 West. The E/2 of Section 21 is to be dedicated to the subject well in the Basin-Fruitland Coal Gas Pool thereby forming a standard 320-acre gas spacing and proration unit for said pool. The applicant further seeks to establish a 320-acre non-standard gas proration unit for the East Blanco-Pictured Cliffs Gas Pool comprising the E/2 of Section 21. The applicant further seeks authority to dually complete this well as an East Blanco-Pictured Cliffs/Basin-Fruitland Coal Gas Pool and Blanco-Mesaverde Gas Pool producing well. Said well is located approximately 10.5 miles southeast of Navajo Lake State Park.

**CASE 11319:** (Readvertised)

Application of Sullivan and Company "3D" Program I, L. L. C. for Directional Drilling and an Unorthodox Bottomhole Oil Well Location, Lea County, New Mexico. Applicant, in the above styled cause, seeks authority to directionally drill its Lowe "25" Well No. 1 from an unorthodox surface location 2105 feet from the North line and 60 feet from the West line (Unit E) of Section 25, Township 13 South, Range 37 East, to an unorthodox bottomhole oil well location within 50 feet of a point 2205 feet from the North line and 100 feet from the West line (Unit E) of said Section 25 to test the Devonian formation. The SW/4 NW/4 of Section 25 is to be dedicated to the subject well forming a standard 40-acre oil spacing and proration unit. Applicant further requests approval of the subject unorthodox location as to the King-Wolfcamp Pool, Undesignated King-Pennsylvanian Pool, and Undesignated King-Devonian Pool. Said unit is located approximately 11.5 miles southeast of Tatum, New Mexico.

**CASE 11315:** (Continued from June 29, 1995, Examiner Hearing.)

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

**CASE 11316:** (Readvertised)

**Application of Marathon Oil Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval to drill its Royal Well No. 1 at an unorthodox oil well location to test the Blinebry formation and Undesignated East Vacuum-Drinkard Pool 2210 feet from the South line and 1310 feet from the East line (Unit I) of Section 33, Township 17 South, Range 35 East. The NE/4 SE/4 of Section 33 is to be dedicated to the subject well forming a standard 40-acre oil spacing and proration unit for both intervals. Said unit is located approximately 3 miles east-southeast of Buckeye, New Mexico.

**CASE 11332:** **Application of Yates Petroleum Corporation to Rescind Division Order No. R-10372, Eddy County, New Mexico.** Applicant, in the above styled cause, seeks to rescind Division Order No. R-10372 dated May 24, 1995, which order authorized Yates Petroleum Corporation to drill its Aspden "AOH" Federal Com Well No. 2 at an unorthodox oil well location 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 29, Township 19 South, Range 25 East, NMPM, North Dagger Draw-Upper Pennsylvanian Pool, subject to certain requirements relating to the formation of non-standard proration units. This well is located approximately 8 miles west of Lakewood, New Mexico. IN THE ABSENCE OF OBJECTION THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

**CASE 11333:** **Application of Marathon Oil Company for the expansion of the Cemetery-Morrow Gas Pool and the contraction of the Indian Basin-Morrow Gas Pool, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order expanding the Cemetery-Morrow Gas Pool to include all of Irregular Sections 35 and 36, Township 20-1/2 South, Range 23 East, and all of Sections 1, 2, 11, 12, 13 and 14, Township 21 South, Range 23 East, and the corresponding contraction of the Indian Basin-Morrow Gas Pool by the deletion therefrom of the W/2 of Section 2, the W/2 of Section 11, and all of Section 14, Township 21 South, Range 23 East. This area is located approximately 11-1/2 miles southwest of Seven Rivers, New Mexico.

**CASE 11334:** **Application of Phillips Petroleum Company for a determination in accordance with Section 70-2-33 (H) NMSA (1978) of the proportionate share of recoverable hydrocarbons and for the adoption of a special oil allowable for the South Peterson-Fusselman Pool, Roosevelt County, New Mexico.** Applicant, in the above-styled cause, seeks a determination, in accordance with Section 70-2-33 (H) NMSA (1978) of the proportionate share of recoverable hydrocarbons to be allocated to each spacing and proration unit in the South Peterson-Fusselman Pool. The applicant further seeks the adoption of a special oil allowable of 267 barrels of oil per day within the South Peterson-Fusselman Pool effective January 1, 1995. Said pool is located in portions of Townships 5 and 6 South, Ranges 32 and 33 East. This pool is located approximately 21 miles southeast of Kenna, New Mexico.

**CASE 11327:** (Contined from June 29, 1995, Examiner Hearing.)

**Application of Merrion Oil & Gas Corporation for a high angle/horizontal directional drilling pilot project and for the promulgation of special operating rules therefor, Sandoval County, New Mexico.** Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the designated and Undesignated Snake Eyes-Entrada Oil Pool underlying a single fee lease comprising all or portions of Sections 19, 20, and 21, Township 21 North, Range 8 West. Further, the applicant seeks the promulgation of special operating rules and procedures for wells within said project area including provisions for administrative authorization for horizontal wells, the formation of oversized and irregular shaped spacing and proration units to accommodate such wellbores, the assignment of a special oil allowable or formula for the project area and the designation of a target window such that horizontal or producing portions of such a wellbore shall be no closer than 330 feet to the outer boundary of the project area. Said area is located approximately 1.6 miles south by east of Nageesi, New Mexico.



**CASE 11328:** (Continued from June 29, 1995, Examiner Hearing.)

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

**CASE 11329:** (Continued from June 29, 1995, Examiner Hearing.)

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

**CASE 11335:** Application of Naumann Oil & Gas, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 34, Township 18 South, Range 29 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to the Empire "34" Federal Well No. 1 which is an existing well located at a standard gas well location 1980 feet from the North line and 1980 feet from the East line (Unit G) of Section 34 and which is to be re-entered and deepened in an attempt to complete in the Morrow formation. Also to be considered will be the costs of re-entering, deepening and completing said well and the allocation of those costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in re-entering, deepening and completing said well. Said unit is located approximately 9 miles southwest of Loco Hills, New Mexico.

**CASE 11336:** Application of Bass Enterprises Production Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 2, Township 19 South, Range 28 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 Turkey Track-Morrow Gas Pool and the Undesignated North Turkey Track-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled and completed at a standard gas well location within the SE/4 NE/4 of Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of the 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 13 miles southwest of Loco Hills, New Mexico.

**CASE 11337:** Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation within a portion of Section 29, Township 17 South, Range 27 East, 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 gas spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Jennings Spring-Wolfcamp Gas Pool, the Undesignated Logan Draw-Morrow Gas Pool, the Undesignated Logan Draw Cisco-Canyon Gas Pool, the Undesignated Red Lake-Pennsylvanian Gas Pool, and the Undesignated West Logan Draw-Morrow Gas Pool; and,

the SE/4 forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent.

Said unit(s) are to be dedicated to the applicant's proposed Sandy Crossing "29" Well No. 1 to be drilled and completed at a standard gas well location within the SW/4 SE/4 of Section 29. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit(s) are located approximately 7 miles southeast of Artesia, New Mexico.

**CASE 11322:** (Continued from June 15, 1995, Examiner Hearing.)

**Application of Nearburg Exploration Company for an exception to the casing requirements of Division Order No. R-111-P, compulsory pooling, directional drilling, and an unorthodox bottomhole oil well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the N/2 NW/4 of Section 13, Township 17 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently includes only the South Humble City-Strawn Pool. Said unit is to be dedicated to its Shriner "13" Well No.1 to be directionally drilled from a surface location 600 feet from the North line and 830 feet from the West line (Unit D) of said Section 13, to an unorthodox bottomhole oil well location within 50 feet of a point 330 feet from the North line and 2130 feet from the West line (Unit C) of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles west of Knowles, New Mexico.

**CASE 11323:** (Continued from June 29, 1995, Examiner Hearing.)

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

**CASE 11338:** **Application of Stevens & Tull Inc. for an exception to the salt protection casing string requirement of Division Order No. R-111-P for certain wells located in portions of Township 20 South, Range 33 East, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an exception to the salt protection casing string requirement contained within Division Order No. R-111-P for certain oil wells to be located in Sections 9, 10, and 16, Township 20 South, Range 33 East, to be drilled to test for production in the West Teas Yates-Seven Rivers Pool. The subject area is located north of Highway 180 some 4 miles northeast from the intersection of Highways 176 and 180 and approximately 1 mile east of Laguna Gatuna.

**CASE 11324:** (Continued from to June 29th , 1995, Examiner Hearing.)

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

**CASE 11325:** (Continued from June 29, 1995, Examiner Hearing.)

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

**CASE 11326:** (Continued from June 29, 1995, Examiner Hearing.)

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

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

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

**CASE 11339:** Application of Yates Petroleum Corporation for directional drilling and an unorthodox bottomhole location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Zinnia Federal Unit Well No. 1 from a unorthodox surface location 1980 feet from the North line and 910 feet from the West line (Unit E) of Section 27, Township 20 South, Range 29 East, to an unorthodox bottomhole gas well location within 50 feet of a point 1980 from the North line and 2405 feet from the East line (Unit G of Section 27, to test the Strawn and Morrow formations, Undesignated East Burton Flat-Strawn Gas Pool and Wildcat Morrow. The N/2 of Section 27 is to be dedicated to this well forming a standard 320-acre gas spacing and proration unit for both formations. Said well is located approximately 11 miles northeast of Carlsbad, New Mexico.

**CASE 11264:** (Continued from June 1, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 24, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Fairchild "24" Well No. 2 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 24. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles west-northwest of Lakewood, New Mexico.

**CASE 11263:** (Continued from June 1, 1995, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 21, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Ross "EG" Federal Com Well No. 14 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.25 miles west by north of Lakewood, New Mexico.

**CASE 11265:** (Readvertised and Continued from June 1, 1995, Examiner Hearing.)

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

**CASE 11313:** (Continued from June 29, 1995, Examiner Hearing.)

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

**CASE 11340:** In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Chaves and Lea Counties, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Blinbry production and designated as the East Vacuum-Blinbry Pool. The discovery well is the Marathon Oil Company Warn State A/C 3 Well No. 10 located in Unit H of Section 33, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 33: NE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Northeast Echol-Devonian Pool. The discovery well is the Manzano Oil Corporation SV Sundown State Well No. 1 located in Unit M of Section 14, Township 10 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM

Section 14: SW/4

- (c) EXTEND the Casey-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 35: NE/4

- (d) EXTEND the Cline-Tubb Associated Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

Section 12: SE/4

- (e) EXTEND the East Grama Ridge-Strawn Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH. RANGE 34 EAST. NMPM

Section 35: W/2

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

TOWNSHIP 17 SOUTH. RANGE 37 EAST. NMPM

Section 12: SW/4

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

TOWNSHIP 19 SOUTH. RANGE 34 EAST. NMPM

Section 34: SW/4

TOWNSHIP 20 SOUTH. RANGE 34 EAST. NMPM

Section 11: NW/4

- (h) EXTEND the Lea-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH. RANGE 34 EAST. NMPM

Section 4: E/2

- (i) EXTEND the Little Lucky Lake-Devonian Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH. RANGE 30 EAST. NMPM

Section 32: NW/4

- (j) EXTEND the West Lovington-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH. RANGE 35 EAST. NMPM

Section 33: NE/4 and E/2 SE/4

TOWNSHIP 16 SOUTH. RANGE 35 EAST. NMPM

Section 2: Lots 1, 2, 3, 4, 5, 6, 7, and 8

- (k) EXTEND the Mesa Verde-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH. RANGE 32 EAST. NMPM

Section 8: NW/4

- (l) EXTEND the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH. RANGE 34 EAST. NMPM

Section 18: W/2 and SE/4

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

TOWNSHIP 25 SOUTH. RANGE 34 EAST. NMPM

Section 6: SE/4

Section 18: NE/4

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

TOWNSHIP 22 SOUTH. RANGE 32 EAST. NMPM

Section 36: NE/4

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

TOWNSHIP 22 SOUTH. RANGE 32 EAST. NMPM

Section 35: NE/4

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

TOWNSHIP 23 SOUTH. RANGE 32 EAST. NMPM

Section 30: NE/4

Section 31: NE/4

- (q) EXTEND the North Teague Drinkard-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH. RANGE 37 EAST. NMPM

Section 8: NW/4 NE/4 and S/2 NE/4

- (r) EXTEND the West Triste Draw-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH. RANGE 32 EAST. NMPM

Section 31: All

- (s) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH. RANGE 35 EAST. NMPM

Section 30: E/2 SW/4

- (t) EXTEND the Vacuum-Middle Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH. RANGE 34 EAST. NMPM

Section 24: E/2

Section 25: NE/4

TOWNSHIP 17 SOUTH. RANGE 35 EAST. NMPM

Section 30: W/2

Section 31: N/2

- (u) EXTEND the Vacuum-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH. RANGE 35 EAST. NMPM

Section 30: SW/4

- (v) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH. RANGE 32 EAST. NMPM

Section 7: SW/4

**CASE 11341:** In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico:

- (a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Avalon-Bone Spring Pool. The discovery well is the Ray Westall Federal "2" Well No. 2 located in Unit L of Section 29, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 29: SW/4

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Southwest Forty Niner Ridge-Delaware Pool. The discovery well is the Maralo, Inc. GR "30" State Well No. 1 located in Unit C of Section 30, Township 23 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM

Section 30: NW/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the White city-Delaware Pool. The discovery well is the Energex Company Shearnwest Federal Well No. 1 located in Unit I of Section 11, Township 25 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 25 EAST, NMPM

Section 11: SE/4

- (d) EXTEND the East Avalon-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 25: NW/4

- (e) EXTEND the Chisum-Devonian Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM

Section 12: W/2

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 16: NE/4

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

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 16: W/2

Section 21: N/2

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

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 13: SW/4

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 5: S/2

Section 6: SE/4

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

TWOSHIP 23 SOUTH. RANGE 29 EAST. NMPM

Section 13: NW/4

Section 14: NE/4

- (k) EXTEND the Penasco Draw-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH. RANGE 25 EAST. NMPM

Section 34: E/2

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

TOWNSHIP 26 SOUTH. RANGE 30 EAST. NMPM

Section 24: SW/4

Section 25: NW/4

- (m) EXTEND the Santo Nino-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH. RANGE 30 EAST. NMPM

Section 30: NW/4

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

TOWNSHIP 22 SOUTH. RANGE 27 EAST. NMPM

Section 28: SW/4

Section 29: S/2



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

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

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

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

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

**CASE 11287:** Application of Nearburg Exploration Company for compulsory pooling, directional drilling, and an unorthodox bottomhole oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the N/2 NW/4 of Section 13, Township 17 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently includes only the South Humble City-Strawn Pool. Said unit is to be dedicated to its Shriner "13" Well No. 1 to be directionally drilled from a surface location 600 feet from the North line and 830 feet from the West line (Unit D) of said Section 13, to an unorthodox bottomhole oil well location within 50 feet of a point 330 feet from the North line and 2130 feet from the West line (Unit C) of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles west of Knowles, New Mexico.

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

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

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

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

Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 3, Township 19 South, Range 28 East, thereby forming a 320.90-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Millman-Wolfcamp Gas Pool, Undesignated Millman-Atoka Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and Undesignated Millman-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles east-southeast of the old Illinois Oil Camp.

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

Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation, underlying the SE/4 NW/4 (Unit F) of Section 4, Township 24 South, Range 29 East, forming a standard 40-acre oil spacing and proration unit. Said unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 5 miles east-northeast of Malaga, New Mexico.

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

**CASE 11292:** Application of Robert L. Bayless for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the NW/4 of Section 18, Township 24 North, Range 6 West, thereby forming a standard 160-acre spacing and proration unit for the Ballard-Pictured Cliffs Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 8 miles northwest of Counselor, New Mexico.

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

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

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

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

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

**CASE 11294:** Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 27, Township 21 South, Range 33 East, NMPM, for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated Legg Atoka-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at an unorthodox location 1,980 feet from the South line and 660 feet from the West line of the Section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling said well. Said unit is located approximately 23.5 miles West-Northwest of Eunice, New Mexico.

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

Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the following described acreage in Section 32, Township 17 South, Range 27 East, and in the following manner: the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Jennings Spring-Wolfcamp Gas Pool, Undesignated Logan Draw-Cisco/Canyon Gas Pool, Undesignated Red Lake-Pennsylvanian Gas Pool, Undesignated West Logan Draw-Morrow Gas Pool, and Undesignated Logan Draw-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Red Lake Queen-Grayburg-San Andres Pool, Undesignated Empire-Abo Pool, and Undesignated Chalk Bluff-Wolfcamp Pool. Said units are to be dedicated to a single well to be drilled and completed at a standard location in Unit "B" of said Section 32. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well, and a charge for risk involved in drilling said well. Said well location is approximately 2.5 miles south of Riverside, New Mexico.

**CASE 11265:** (Readvertised).

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

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

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

**CASE 11263:** (Continued from April 20, 1995, Examiner Hearing.)

**Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 21, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Ross "EG" Federal Com Well No. 14 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.25 miles west by north of Lakewood, New Mexico.

**CASE 11264:** (Continued from April 20, 1995, Examiner Hearing.)

**Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 24, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Fairchild "24" Well No. 2 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 24. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles west-northwest of Lakewood, New Mexico.

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

**CASE 11296:** **Application of Santa Fe Energy Resources, Inc. for compulsory pooling, directional drilling, and an unorthodox bottomhole gas well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the following described acreage in Section 19, Township 20 South, Range 34 East, and in the following manner: Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) to form a 320.28-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to either the Undesignated Quail Ridge-Morrow Gas Pool or the Undesignated West Lynch-Morrow Gas Pool; and Lots 3 and 4 and the E/2 SW/4 (SW/4 equivalent) to form a 160.19-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent. Said units are to be dedicated to the plugged and abandoned Cities Service Oil Company Government "N" Com Well No. 1-Y (API No. 30-025-22564), located 660 feet from the South line and 2084 feet from the West line (Unit N) of said Section 19, wherein the applicant proposes to re-enter said well and recomplete by kicking-off from the vertical portion of the wellbore in a northerly direction and directionally drill into the Morrow formation within a 50 foot radius of a point 1060 feet from the South line and 2084 feet from the West line of said Section 19, which is an unorthodox bottomhole location for said interval. Also to be considered will be the cost of re-entering, drilling and recompleting said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a charge for risk involved in re-entering and recompleting said well. Said well is located approximately 7.5 miles east of the junction of U.S. Highway 62/180 and New Mexico State Road No. 176.

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

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

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

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

**CASE 11195:** (Readvertised)

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

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

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

TOWNSHIP 9 SOUTH, RANGE 22 EAST, NMPM

Section 4: SW/4

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 27: NW/4

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

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 27: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 32: NW/4

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

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 32: NW/4

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 16: SE/4

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

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 21: NE/4

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

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM

Section 13: SE/4

Section 24: NE/4

Section 36: SW/4

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 3: SE/4

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

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM

Section 12: SE/4

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

TOWNSHIP 8 SOUTH. RANGE 22 EAST. NMPM

Section 17: SE/4

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

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

TOWNSHIP 27 NORTH. RANGE 3 WEST. NMPM

Section 26: SE/4

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

TOWNSHIP 30 NORTH. RANGE 15 WEST. NMPM

Section 24: SW/4 SW/4

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

TOWNSHIP 29 NORTH. RANGE 11 WEST. NMPM

Section 34: NW/4

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

TOWNSHIP 23 NORTH. RANGE 11 WEST. NMPM

Section 23: NW/4 SE/4

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

TOWNSHIP 24 NORTH. RANGE 7 WEST. NMPM

Section 12: S/2

Section 13: NE/4

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

TOWNSHIP 28 NORTH. RANGE 12 WEST. NMPM

Section 26: NW/4

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

TOWNSHIP 25 NORTH. RANGE 3 WEST. NMPM

Section 1: NW/4

TOWNSHIP 26 NORTH. RANGE 3 WEST. NMPM

Section 26: S/2

Section 27: SE/4

Section 34: NE/4

Section 35: N/2 and SE/4

Section 36: W/2

**DOCKET NO. 17-95**

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

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

**SANTA FE, NEW MEXICO**

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

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

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



**DOCKET: EXAMINER HEARING - THURSDAY - APRIL 20, 1995**

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 13-95 and 14-95 are tentatively set for May 4, 1995 and May 18, 1995. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 11202:** (Continued from February 16, 1995, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit Billy R. Wilson Robinson Brothers Drilling (Company), Inc., operator, The Travelers Indemnity Company, surety, and all other interested parties to appear and show cause why the State "A" Well No. 1 (API No. 30-015-02331), located 660 feet from the South and West lines (Unit M) of Section 36, Township 19 South, Range 28 East, Eddy County, New Mexico (which is approximately 8 miles southeast by south of the old Illinois Production Camp), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have the well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

**CASE 11252:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit Stevens Operating Corporation, operator, American Employers Insurance, surety, and all other interested parties to appear and show cause why the Marjohn State Well No. 1 (API No. 30-005-00380), located 660 feet from the North and East lines (Unit A) of Section 11, Township 13 South, Range 28 East, Chaves County, New Mexico (which is approximately 15 miles east-northeast of Hagerman, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said wells, the Division should then be authorized to take such action as is deemed necessary to have both wells properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

**CASE 11253:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit Charles W. Harle, operator, American Manufacturers Mutual Insurance Company, surety, and all other interested parties to appear and show cause why the Zimmerman Well No. 1, located 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 35, Township 10 South, Range 25 East, Chaves County, New Mexico (which is approximately 8 miles east of Roswell, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have said well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

**CASE 11254:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit Charles W. Harle, operator, American Manufacturers Mutual Insurance Company, surety, and all other interested parties to appear and show cause why the Zimmerman Well No. 2, located 1650 feet from the North line and 1980 feet from the West line (Unit F) of Section 35, Township 10 South, Range 25 East, Chaves County, New Mexico (which is approximately 8 miles east of Roswell, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have said well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

**CASE 11255:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit Charles W. Harle, operator, American Employers' Insurance Company, surety, and all other interested parties to appear and show cause why the Christopher Well No. 1 (API No. 30-005-60591), located 330 feet from the North line and 2310 feet from the East line (Unit B) of Section 32, Township 6 South, Range 26 East, Chaves County, New Mexico (which is approximately 15.5 miles west-northwest of Elkins, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program. Should the operator fail to properly plug said well, the Division should then be authorized to take such action as is deemed necessary to have said well properly plugged and abandoned and to direct the operator to pay the costs of such plugging.

**CASE 11256:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Otis H. Sanders, and all other interested parties to appear and show cause why the Thigpen, et al Well No. 1-Y (API No. 30-015-22933), located 1800 feet from the North line and 1980 feet from the West line (Unit F) of Section 7, Township 16 South, Range 25 East, Eddy County, New Mexico (which is approximately 7.25 miles northwest by north of the Artesia, New Mexico Municipal Airport), should not be plugged and abandoned in accordance with a Division-approved plugging program. Additionally, should the operator fail to properly plug said well, the Division seeks an order directing the operator to pay the costs of such plugging and if failing to do so, ordering a forfeiture of the plugging bond covering this well and authorizing the Director of the Division to make demand upon Sunwest Bank at Roswell, New Mexico to pay to the Division so much of the funds of the certificate of deposit given as collateral for said bond as is necessary to compensate the costs of plugging said well.

**CASE 11257:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, A. L. Dawsey, and all other interested parties to appear and show cause why the El Vado Well No. 1 (API No. 30-039-24055), located 610 feet from the South line and 2000 feet from the West line (Unit N) of Section 11, Township 27 North, Range 1 East, as projected into the unsurveyed Tierra Amarilla Land Grant, Rio Arriba County, New Mexico (which is approximately 5.5 miles northwest of El Vado, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program. Additionally, should the operator fail to properly plug said well, the Division seeks an order directing the operator to pay the costs of such plugging and if failing to do so, ordering a forfeiture of the plugging bond covering this well and authorizing the Director of the Division to make demand upon the First Security Bank, formerly First National Bank in Albuquerque, New Mexico to pay to the Division so much of the funds of the certificate of deposit given as collateral for said bond as is necessary to compensate the costs of plugging said well.

**CASE 11258:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, A. L. Dawsey, and all other interested parties to appear and show cause why the El Vado Well No. 2 (API No. 30-039-24053), located 1770 feet from the South line and 970 feet from the East line (Unit I) of Section 11, Township 27 North, Range 1 East, as projected into the unsurveyed Tierra Amarilla Land Grant, Rio Arriba County, New Mexico (which is approximately 5 miles northwest of El Vado, New Mexico), should not be plugged and abandoned in accordance with a Division-approved plugging program. Additionally, should the operator fail to properly plug said well, the Division seeks an order directing the operator to pay the costs of such plugging and if failing to do so, ordering a forfeiture of the plugging bond covering this well and authorizing the Director of the Division to make demand upon the First Security Bank, formerly First National Bank in Albuquerque, New Mexico to pay to the Division so much of the funds of the certificate of deposit given as collateral for said bond as is necessary to compensate the costs of plugging said well.

**CASE 11259:** **Application of Chevron U.S.A. Inc. for an unorthodox gas well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval for its W. T. McComack Well No. 18, formerly the Central Drinkard Unit Well No. 428, (API No. 30-025-26447) to be recompleted to the Tubb Oil and Gas Pool at an unorthodox gas well location 210 feet from the North line and 2390 feet from the East line (Unit B) of Section 32, Township 21 South, Range 37 East, the NE/4 of said Section 32 is to be dedicated to said well to form a standard 160-acre gas spacing and proration unit for said pool. Said unit is located approximately one mile west of Eunice, New Mexico. IN THE ABSENCE OF OBJECTION THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

**CASE 11260:** **Application of Santa Fe Energy Resources, Inc. for a unit agreement, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval of the Abe Unit Agreement for an area comprising 3,200 acres, more or less, of State and Fee lands in Sections 21, 22, 27, 28, and 29, Township 21 South, Range 33 East. Said unit area is centered approximately 24 miles West-Northwest of Eunice, New Mexico.

**CASE 11191:** (Continued from March 16, 1995, Examiner Hearing.)

**Application of Great Western Drilling Company for an unorthodox gas well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its existing Glenn Cleveland Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 7, Township 15 South, Range 35 East, in order to test and recomplete this well in the Morrow formation. The E/2 of said Section 7 to be dedicated to said well to form a standard 320-acre gas spacing and proration unit. Said unit is located approximately 7 miles northwest of Lovington, New Mexico.

**CASE 11261:** **Application of Marathon Oil Company for an additional high angle/horizontal wellbore and to amend Division Order No. R-10082-A, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks to amend Division Order No. R-10082-A to authorize the applicant to utilize the existing J. M. Denton Well No. 5 located in Unit "N" of Section 11, Township 15 South, Range 37 East, by kicking-off from vertical, build angle to approximately 90 degrees with a short-radius curve and continue drilling a horizontal drainhole within its "*high angle/horizontal directional drilling project*" in the Denton-Devonian Pool, currently comprising 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 the outer boundary of said project area, the creation and formation of an oversized and irregularly shaped spacing and proration unit to accommodate said wellbore, and the assignment of a special oil allowable for such non-standard oil proration unit. Said project area is located approximately 4.5 miles south-southeast of Prairieview, New Mexico.

**CASE 11262:** **Application of Texaco Exploration and Production, Inc. for special pool rules, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the South Sand Dunes-Bone Spring Pool including a provision for a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil. Said pool currently comprises portions of Sections 29, 30, 31, and 32, of Township 23 South, Range 32 East, and is located on the Lea/Eddy County line approximately 2 miles north of State Highway No. 128.

**CASE 11224:** Continued from March 16, 1995, Examiner Hearing.

**Application of Southeastern Petroleum, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the following described acreage in Section 28, Township 16 South, Range 37 East, and in the following manner: the W/2 SW/4 thereby forming a standard 80-acre oil spacing and proration unit for any and all pools developed on 80-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated West Knowles-Drinkard Pool and the Undesignated West Casey-Strawn Pool; and the SW/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Lovington-Grayburg San Andres Pool, Undesignated Lovington-Paddock Pool, Lovington-Abo Pool, and the Undesignated East Lovington-Upper Pennsylvanian (Cisco and Canyon formations) Pool. Said units are to be dedicated to the plugged and abandoned Shell Oil Company Home Stake Well No. 1 (T.D. - 12,125 feet), located at a standard oil well location 660 feet from the South and West lines (Unit M) of said Section 28. Also to be considered will be the costs of re-entering and the recompletion of said well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in the re-entry of said well. The location of this wellbore is approximately 7 miles north-northwest of Humble City, New Mexico.

**CASE 11263:** **Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 21, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Ross "EG" Federal Com Well No. 14 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.25 miles west by north of Lakewood, New Mexico.

**CASE 11232:** (Contined from April 6, 1995, Examiner Hearing.)

**Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 24, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Fairchild "24" Well No. 2 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 24. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles west-northwest of Lakewood, New Mexico.

**CASE 11264:** **Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 24, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Fairchild "24" Well No. 2 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 24. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 4 miles west-northwest of Lakewood, New Mexico.

**CASE 11265:** **Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 21, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw Upper-Pennsylvanian Pool. Said unit is to be dedicated to its Alto "21" Well No. 1 to be drilled at a standard location in the NW/4 NE/4 (Unit B) of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling and completing said well. Said unit is located approximately 6.25 miles west by north of Lakewood, New Mexico.

- CASE 11266:** Application of Nearburg Exploration Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, underlying the following described acreage in Section 32, Township 17 South, Range 27 East, and in the following manner: the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Jennings Spring-Wolfcamp Gas Pool, Undesignated Logan Draw-Cisco/Canyon Gas Pool, Undesignated Red Lake-Pennsylvanian Gas Pool, Undesignated West Logan Draw-Morrow Gas Pool, and Undesignated Logan Draw-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and the NW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Red Lake Queen-Grayburg-San Andres Pool, Undesignated Empire-Abo Pool, and Undesignated Chalk Bluff-Wolfcamp Pool. Said units are to be dedicated to a single well to be drilled and completed at a standard location in Unit "B" of said Section 32. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well, and a charge for risk involved in drilling said well. Said well location is approximately 2.5 miles south of Riverside, New Mexico.
- CASE 11267:** Application of Arch Petroleum Inc. for special pool rules, Lea County, New Mexic. Applicant, in the above-styled cause, seeks an order promulgating special rules and regulations for the Justis-Fusselman Pool including a provision for a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil. Said pool currently comprises all or portions of Sections 13, 24, 25, and 36, of Township 25 South, Range 37 East, and portions of Sections 30 and 31, of Township 25 South, Range 38 East and is located approximately 5 miles east of Jal, New Mexico.
- CASE 11268:** Application of Mack Energy Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Drinkard formation, underlying the NE/4 NW/4 (Unit C) of Section 27, Township 16 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Garrett-San Andres Pool, Undesignated Garrett-Drinkard Pool, and Undesignated East Garrett-Drinkard Pool. Said unit is to be dedicated to either the plugged and abandoned Texas Oil Company Godlieb Ertel Well No. 1, located at a standard oil well location 660 feet from the North line and 1980 feet, more or less, from the West line of said Section 27, in which the applicant proposes to re-enter, OR IN THE ALTERNATIVE, to a new well to be drilled at a standard oil well location thereon. Also to be considered will be the costs of re-entering and the recompletion of said plugged well or drilling and completing a new well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the unit and subsequent well, and a charge for the risk involved in the re-entry of said plugged well or in drilling a new well. Said unit is located approximately 4 miles north of Knowles, New Mexico.
- CASE 11269:** Application of Amerada Hess Corporation for pool creation, the promulgation of special pool rules, assignment of an appropriate oil allowable, and for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new pool for the production of oil from the Ellenburger formation underlying all of Section 5, Township 23 South, Range 34 East (being approximately 20.5 miles west-southwest of Eunice, New Mexico) and for the promulgation of special rules and regulations therefor including provisions for 640-acre oil spacing and proration units, designated well location requirements, and for the assignment of an appropriate poolwide depth bracket oil allowable. Applicant further seeks approval of an unorthodox oil well location in this newly created Ellenburger oil pool for its North Bell Federal Well No. 2 (API No. 30-025-32672), located 1100 feet from the South line and 1500 feet from the West line (Unit N) of said Section 5, all of said Section 5 to be dedicated to said well thereby forming a 640.28-acre oil spacing and proration unit.
- CASE 11270:** Application of Maralo, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 3, Township 19 South, Range 28 East, thereby forming a 320.90-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the Undesignated Millman-Wolfcamp Gas Pool, Undesignated Millman-Atoka Gas Pool, Undesignated North Turkey Track-Atoka Gas Pool, and Undesignated Millman-Morrow Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit, and a charge for risk involved in drilling and completing said well. Said unit is located approximately 3 miles east-southeast of the old Illinois Oil Camp.

**CASE 11271:** **Application of Medallion Production Company for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Atoka formation, underlying the following described acreage in Section 31, Township 16 South, Range 35 East, and in the following manner: the E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated North Vacuum Atoka-Morrow Gas Pool and Undesignated Shoe Bar-Atoka Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the W/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all pools developed on 80-acre spacing within said vertical extent which presently includes only the Undesignated North Vacuum-Abo Pool; and the SW/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated Vacuum-Grayburg San Andres Pool and Undesignated Northeast Vacuum-Wolfcamp Pool. Said units are to be dedicated to a single well to be drilled 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 31 being a standard well location for 40, 80, and 160-acre spacing and proration units but an unorthodox gas well location for a 320-acre spacing 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 location is approximately 5 miles north of Buckeye, New Mexico.

**CASE 11227:** **Continued from March 16, 1995, Examiner Hearing.**

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

**CASE 11194:** **(Continued from April 6, 1995, Examiner Hearing.)**

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

**CASE 11195:** **(Continued from April 6, 1995, Examiner Hearing.)**

**Application of Charles B. Gillespie, Jr. for statutory unitization, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a pressure maintenance project, all mineral interests in the designated and Undesignated West Lovington-Strawn Pool underlying its proposed West Lovington Strawn Unit Area encompassing some 1457.05-acres, more or less, of Federal, State, and Fee lands comprising all of Section 33 and the W/2 of Section 34 of Township 15 South, Range 35 East, a portion of Section 1, Township 16 South, Range 35 East, and a portion of Section 6, Township 16 South, Range 36 East. Among the matters to be considered at the hearing, pursuant to the "New Mexico Statutory Unitization Act", Sections 70-7-1 et. seq., NMSA, will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investments, to each of the various tracts in the unit area; the determination of credits and changes to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations, including, but not necessarily limited to unit voting procedures, selection, removal or substitution of the unit operator, and time of commencement and termination of unit operations. Said unit area is centered approximately 4.5 miles West-Northwest of Lovington, New Mexico.

**CASE 11243:** (Continued from April 6, 1995, Examiner Hearing.)

**Application of Amoco Production Company for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the following described acreage in Section 12, Township 29 North, Range 13 West, and in the following manner: the W/2 thereby forming a standard 320-acre gas spacing and proration unit for any and all pools developed on 320-acre spacing within said vertical extent which presently includes only the Basin-Fruitland Coal (Gas) Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated West Kutz-Fruitland Sand Pool and Undesignated West Kutz-Pictured Cliffs Pool. Said units are to be dedicated to a single well (the proposed Burnham Gas Com "B" Well No. 1) to be drilled at a standard gas well location in the SW/4 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 said well. Said area is located approximately 2.5 miles east-northeast of Farmington, New Mexico.

**CASE 11244:** (Continued from April 6, 1995, Examiner Hearing.)

**Application of Amoco Production Company for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the NW/4 of Section 12, Township 29 North, Range 13 West, thereby forming a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent which presently includes but is not necessarily limited to the Undesignated West Kutz-Fruitland Sand Pool and Undesignated West Kutz-Pictured Cliffs Pool. Said unit is to be dedicated to a single well (the proposed Burnham Gas Com "A" Well No. 1) to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2.5 miles east-northeast of Farmington, New Mexico.

**CASE 11247:** (Continued from April 6, 1995, Examiner Hearing.)

**Application of Richardson Operating Co. for compulsory pooling, downhole commingling and an unorthodox gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated West Kutz-Pictured Cliffs Pool underlying the SW/4 of Section 12, Township 29 North, Range 13 West, and all mineral interests in the Basin-Fruitland Coal (Gas) Pool, underlying the W/2 of said Section 12, thereby forming a standard 160-acre and 320-acre gas spacing and proration unit for both pools, respectively. Said units are to be dedicated to a single well, the proposed ROPCO Federal "12" Well No. 3, which is to be drilled at a potential unorthodox gas well location within 200 feet of a point 870 feet from the South line and 1180 feet from the West line of said Section 12. Applicant further seeks authorization to commingle Undesignated West Kutz-Pictured Cliffs Pool production with gas production from the Basin-Fruitland Coal (Gas) Pool within the wellbore of said well. Also to be considered will be the cost of participation in said well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well. Said well is located approximately 2.5 miles east-northeast of Farmington, New Mexico.

**CASE 11245:** (Continued from April 6, 1995, Examiner Hearing.)

**Application of Amoco Production Company for compulsory pooling, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated West Kutz-Pictured Cliffs Pool underlying the NE/4 of Section 14, Township 29 North, Range 13 West, thereby forming a standard 160-acre gas spacing and proration unit. Said unit is to be dedicated to the Roberts Well No. 1 to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing said well. Said area is located approximately 1.5 miles east of Farmington, New Mexico.

**CASE 11248:** (Continued from April 6, 1995, Examiner Hearing.)

Application of Bahlburg Exploration, Inc. for directional drilling and unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter the plugged and abandoned Manzano Oil Corporation Kim Harris Well No. 2, located 600 feet from the North line and 797 feet from the East line (Unit A) of Section 12, Township 16 South, Range 36 East, wherein the applicant proposes to kick-off from the vertical portion of the wellbore in a northerly direction to within 50 feet of the following targeted locations (both of which are unorthodox):

- in the Northeast Lovington-Wolfcamp Pool, 300 feet from the North line and 797 feet from the East line of said Section 12, the NE/4 NE/4 to be dedicated to this interval to form a standard 40-acre oil proration unit; and,
- in the Undesignated Northeast Lovington-Pennsylvanian Pool, 50 feet from the North line and 797 feet from the East line of said Section 12, the N/2 NE/4 to be dedicated to form a standard 80-acre oil proration unit.

Said well is located approximately 3 miles east of Lovington, New Mexico.

**CASE 11272:** In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

- (a) CREATE a new pool in Rio Arriba County, New Mexico, classified as an oil pool for Mancos production and designated as the Dike Rock-Mancos Oil Pool. The discovery well is the Enre Corporation Leavry Canyon 18 I Well No. 1 located in Unit I of Section 18, Township 27 North, Range 2 West, NMPM. Said pool would comprise:

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM  
Section 18: NE/4 SE/4

(Paragraph (b) will be dismissed.)

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

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM  
Section 33: NW/4

- (c) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Greek-Gallup Oil Pool. The discovery well is the Dugan Production Corporation Pole's Paradise Well No. 2 located in Unit K of Section 9, Township 30 North, Range 14 West, NMPM. Said pool would comprise:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM  
Section 9: NW/4 SW/4

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

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM  
Section 2: SW/4

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

TOWNSHIP 24 NORTH, RANGE 6 WEST, NMPM  
Section 7: SW/4  
Section 18: W/2

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

TOWNSHIP 22 NORTH, RANGE 9 WEST, NMPM  
Section 1: N/2 and SW/4

TOWNSHIP 23 NORTH, RANGE 9 WEST, NMPM  
Section 36: SW/4

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

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 19: N/2  
Section 20: SW/4  
Section 29: W/2  
Section 32: All

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

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM

Section 23: N/2 SW/4

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

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM

Section 27: SE/4  
Section 35: SE/4

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

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM

Section 11: SE/4  
Section 14: NE/4

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 20: E/2  
Section 21: W/2

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 12: NE/4

- (k) EXTEND the Otero-Chacra Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 9 WEST, NMPM

Section 13: SW/4  
Section 24: W/2  
Section 25: NW/4

- (l) EXTEND the West Puerto Chiquito-Mancos Oil Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 2 WEST, NMPM

Sections 1 and 2: All

- (m) EXTEND the Rusty-Chacra Pool in Sandoval County, New Mexico, to include therein:

TOWNSHIP 22 NORTH, RANGE 7 WEST, NMPM

Section 5: SW/4  
Section 6: S/2 and NE/4  
Section 7: NE/4  
Sections 8 and 9: All  
Section 15: N/2 and SW/4  
Section 16: All  
Section 17: N/2  
Section 21: NW/4  
Section 22: NW/4



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

TOWNSHIP 27 NORTH, RANGE 3 WEST, NMPM

Section 19: SE/4

TOWNSHIP 28 NORTH, RANGE 5 WEST, NMPM

Section 15: SW/4

Section 22: S/2 and NW/4

Section 23: S/2

Section 26: N/2

Section 27: N/2

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DOCKET NO. 12-95

DOCKET: COMMISSION HEARING - THURSDAY - APRIL 27, 1995  
9:00 A.M. - 2040 SOUTH PACHECO  
SANTA FE, NEW MEXICO

**CASE 11273:** In the matter of the application of the Oil Conservation Division on its own motion for an order adopting rules to implement the recently passed Production Restoration Incentive and Workover Severance Tax Exemption Act (HB 65). The New Mexico Oil Conservation Division seeks an order adopting rules setting forth the procedures to implement the provisions of this Act providing for the qualification of projects and the certification for the "Production Restoration or Workover Tax Rate". Evidence and testimony will not be taken at this time but a Committee will be appointed to produce a preliminary draft of rules for the Commission to consider at a later date.

**CASE 11274:** **Application of Meridian Oil Inc. to establish a statewide administrative procedure for approval of high angle/horizontal directional drilling projects in the State of New Mexico.** Applicant, in the above-styled cause, seeks the establishment of a new rule or an amended Rule 111 of the Oil Conservation Division Rules and Regulations establishing a statewide administrative procedure for approval of high angle/horizontal directional drilling projects in the State of New Mexico without the necessity of holding a hearing.

**CASE 10280:** **De Novo**

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