

**DOCKET: EXAMINER HEARING - THURSDAY - MAY 16, 1996**

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

Dockets Nos 15-96 and 16-96 are tentatively set for May 30, 1996 and June 13, 1996. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 11531:** Application of Gillespie-Crow, Inc. for certification of a positive production response, Lea County, New Mexico. Applicant seeks certification, effective January 1, 1996, pursuant to the Rules and Procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, for a positive production response for the project area of the West Lovington Strawn Unit Area, comprising all of Section 33 and the W/2 of Section 34, Township 15 South, Range 35 East; Lots 1 through 8 of Section 1, Township 16 South, Range 35 East; and Lots 3 through 5 of Section 6, Township 16 South, Range 36 East, which qualified for the recovered oil tax rate under New Mexico's "Enhanced Oil Recovery Act: (Laws 1992, Chapter 38, Sections 1 through 5) by Division Order No. R-10448. Said project area is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

**CASE 11532:** Application of Amoco Production Company for surface commingling, San Juan County, New Mexico. Applicant seeks an exception to Division General Rule 303.A to permit surface commingling of Blanco-Pictured Cliffs Pool gas production from its Sammons Gas Com D Well No. 1 located 130 feet from the South line and 1425 feet from the West line (Unit N) and Basin-Dakota Pool gas production from its Sammons Gas Com C Well No. 1 located 270 feet from the South line and 1450 feet from the West line (Unit N) with Blanco-Mesaverde Pool gas production from its Sammons Gas Com B Well No. 1A located 230 feet from the South line and 790 feet from the West line (Unit M), all in Section 7, Township 29 North, Range 9 West. Said wells are located approximately 1 mile north-northeast of Blanco, New Mexico. IN THE ABSENCE OF OBJECTION THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

**CASE 11533:** (This Case Will Be Continued to June 13, 1996, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 for all formations developed on 320-acre spacing, the NW/4 for all formations developed on 160-acre spacing, the S/2 NW/4 for all formations developed on 80-acre spacing, and the SW/4 NW/4 for all formations developed on 40-acre spacing, all in Section 4, Township 18 South, Range 28 East. Applicant proposes to dedicate this pooled unit to a well to be drilled at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of said Section 4 to test any and all formations from the surface to the base of the Morrow formation, Illinois Camp-Morrow Gas Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 14 miles east-southeast of Artesia, New Mexico.

**CASE 11513:** (Readvertised)

Application of Manzano Oil Corporation for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 160-acre spacing, underlying the SW/4 in all formations developed on 80-acre spacing underlying the N/2 SW/4, and in all formations developed on 40-acre spacing underlying the NE/4 SW/4 from the surface to the base of the Strawn formation in Section 11, Township 16 South, Range 36 East. Said unit is to be dedicated to applicant's 'SV' Chipshot Well No. 1 to be drilled at an unorthodox location 2164 feet from the South line and 1362 feet from the West line (Unit K) of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1 mile southeast of Lovington, New Mexico.

**CASE 11524:** (Continued from May 2, 1996, Examiner Hearing.)

Application of ARCO Permian, a unit of Atlantic Richfield, for compulsory pooling and unorthodox well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the W/2 of Section 23, Township 17 South, Range 28 East, for all formations developed on 320-acre spacing. Said unit is to be dedicated to its Dinah 23 Federal Com Well No. 1 to be drilled at an unorthodox location 1077 feet from the South line and 660 feet from the West line of said Section 23, to a depth sufficient to test the Morrow formation, South Empire-Morrow Gas Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said unit is located approximately 13 miles east-southeast of Artesia, New Mexico.

**CASE 11527:** (Continued from May 2, 1996, Examiner Hearing.)

**Application of Texaco Exploration and Production Inc. for an unorthodox oil well location for a lease line production well and simultaneous dedication, Lea County, New Mexico.** Applicant seeks approval to drill its proposed Vacuum-Grayburg San Andres Well No. 159 as a lease line production well at an unorthodox location 572 feet from the North line and 78 feet from the East line (Unit A) of Section 1, Township 18 South, Range 34 East, to be dedicated to a standard 40-acre spacing unit consisting of the NE/4 NE/4 of said Section 1 in the Vacuum-Grayburg San Andres Pool. Said well is to be simultaneously dedicated with the existing Vacuum Grayburg San Andres Unit Wells 50, 58, 122, and 158. Said unit is located approximately 2 miles south of Buckeye, New Mexico.

**CASE 11534:** **Application of Enron Oil & Gas Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks authorization to drill its Greenback State Well No. 2 at an unorthodox oil well location 1980 feet from the North line and 1330 feet from the West line (Unit F) of Section 17, Township 24 South, Range 38 East, to be dedicated to a standard 40-acre oil spacing and proration unit consisting of the SE/4 NW/4 of said Section 17 in the East Fowler-Ellenburger Pool. Said unit is located approximately 6 miles northeast of Jal, New Mexico.

**CASE 11016:** (Reopened - Continued from April 18, 1996, Examiner Hearing.)

In the matter of Case No. 11016 being reopened pursuant to the provisions of Division Order No. R-5353-P, which order created the North Teague-Tubb Associated Pool, Lea County, New Mexico, and promulgated temporary special pool rules. Operators in the subject pool may appear and show cause why the North Teague-Tubb Associated Pool should not be reclassified as an oil pool and why a gas-oil ratio limitation of 6,000:1 is appropriate for this pool.

**CASE 11017:** (Reopened - Continued from April 18, 1996, Examiner Hearing.)

In the matter of Case No. 11017 being reopened pursuant to the provisions of Division Order No. R-5353-Q, which order reclassified the North Teague Lower Paddock-Blinbry Gas Pool, Lea County, New Mexico, and promulgated temporary special pool rules. Operators in the subject pool may appear and show cause why said North Teague Lower Paddock-Blinbry Associated Pool should not be reclassified as an oil pool why a gas-oil ratio limitation of 6,000:1 is appropriate for this pool.

**CASE 11018:** (Reopened - Continued from April 18, 1996, Examiner Hearing.)

In the matter of Case No. 11018 being reopened pursuant to the provisions of Division Order No. R-10199, which order created the North Teague Drinkard-Abo Pool, Lea County, New Mexico, promulgated temporary special pool rules. Operators in the subject pool may appear and show cause why a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil is appropriate on a permanent basis for said pool.

**CASE 11535:** **Application of Nearburg Exploration Company for an unorthodox gas well location and non-standard gas proration unit, Lea County, New Mexico.** Applicant seeks approval to drill its Minis "1" Federal Com Well No. 3 at an unorthodox gas well location 3300 feet from the South line and 1310 feet from the West line of Irregular Section 1, Township 21 South, Range 32 East, to test the Undesignated Hat Mesa-Morrow Gas Pool, Lots 3, 4, 5, 6, 11, 12, 13, and 14, of said Irregular Section 1 to be dedicated to said well to form a non-standard 317.66-acre gas spacing and proration unit for said pool. Said unit is located approximately 6 miles east-southeast of the junction of New Mexico State Highway 176 No. and US Highway 62/180, New Mexico.

**CASE 11536:** **Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant seeks approval to drill its proposed Allison Unit Com Well No. 146 at an unorthodox coal gas well location 1000 feet from the North line and 1265 feet from the West line (Unit D) of Section 23, Township 32 North, Range 7 West, Basin Fruitland Coal (Gas) Pool, said well to be dedicated to the W/2 of said Section 23 to form a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 4 miles southeast of the intersection of State Highway 511 with border between the State of Colorado and the State of New Mexico.

**CASE 11499:** (Continued from April 18, 1996, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Deanie Lou, American Manufacturer's Mutual Insurance Company, Surety, and all other interested parties to appear and show cause why the Ring Well No. 1 located in Unit C of Section 32, Township 6 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond.

**CASE 11515: (Continued from April 18, 1996, Examiner Hearing.)**

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Woosley Oil Co., American Employers' Insurance Company, and all other interested parties to appear and show cause why the Santa Fe Energy Well No. 1 located in Unit P of Section 8, Township 19 North, Range 6 West; Santa Fe Energy Well No. 2 located in Unit A of Section 17, Township 19 North, Range 6 West; State Well No. 1 located in Unit D of Section 16, Township 19 North, Range 6 West; State Well No. 2 located in Unit C of Section 16, Township 19 North, Range 6 West; State Well No. 3 located in Unit A of Section 16, Township 19 North, Range 6 West; Ptasynski A Well No. 1 located in Unit I of Section 11, Township 19 North, Range 5 West; and Ptasynski A Well No. 2 located in Unit J of Section 11, Township 19 North, Range 5 West; all located in McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said wells, and ordering a forfeiture of the plugging bond. The center of the area encompassing said wells is located approximately 10 miles southeast of Chaco Canyon National Monument, New Mexico.

**CASE 11516: (Continued from April 18, 1996, Examiner Hearing.)**

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, H & W Enterprises, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Mobil State Well No. 1, located in Unit H of Section 16, Township 17 South, Range 31 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. Said well is located approximately 6 miles west-southwest of Maljamar, New Mexico.

**CASE 11517: (Continued from April 18, 1996, Examiner Hearing.)**

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Mercury Production Company, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Constate Well No. 1, located in Unit D of Section 36, Township 16 South, Range 31 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. Said well is located approximately 9 miles west-northwest of Maljamar, New Mexico.

**CASE 11514: (Continued from May 2, 1996, Examiner Hearing.)**

**Application of Read & Stevens, Inc. for an unorthodox infill gas well location and simultaneous dedication, Chaves County, New Mexico.** Applicant seeks approval of an unorthodox infill gas well location in the Buffalo Valley-Pennsylvanian (Prorated) Gas Pool for a well to be drilled 990 feet from the South line and 1980 feet from the West line (Unit O) of Section 26, Township 15 South, Range 27 East. Said well is to be simultaneous dedicated with the existing Harris Federal Well No. 4, located at a standard gas well location in Unit "P" of said Section 26, to a standard 320-acre gas spacing and proration unit comprising the S/2 of said Section 26. Said unit is located approximately 9.5 miles southeast of Lake Arthur, New Mexico.

**CASE 11475: (Readvertised - Continued from May 2, 1996, Examiner Hearing.)**

**Application of Texaco Exploration and Production Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the SW/4 of Section 23 for all formations developed on 160-acre spacing, in the W/2 SW/4 of Section 23 for all formations developed on 80-acre spacing and in the NW/4 SW/4 of Section 23 for all formations developed on 40-acre spacing in Township 26 South, Range 37 East. Said unit is to be dedicated to its Rhodes "23" Fed. Com Well No. 1 to be drilled at a standard location in the NW/4 SW/4 of said Section 23 and drilled to the Rhodes Yates-Seven Rivers Gas Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 5 miles south-southwest of Jal, New Mexico.

**CASE 11476: (Continued from May 2, 1996, Examiner Hearing.)**

**Application of Doyle Hartman and Margaret Hartman, d/b/a Doyle Hartman, Oil Operator, for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the SW/4 of Section 23, Township 26 South, Range 37 East for all formations developed on 160-acre spacing. Said unit is to be dedicated to a well to be drilled at a standard location 1980 feet from the South line and 660 feet from the West line of said Section 23 and drilled to the Rhodes Yates-Seven Rivers Gas Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said area is located approximately 5 miles south-southeast of Jal, New Mexico.

**CASE 11529:** (Continued from May 2, 1996, Examiner Hearing.)

**Application of Doyle Hartman and Margaret Hartman, d/b/a Doyle Hartman, Oil Operator for (i) an amendment to Division Order No. R-5448, (ii) an acreage rededication, (iii) the formation of two non-standard gas proration units, (iv) an unorthodox gas well location, (v) compulsory pooling, and (vi) an order requiring Meridian Oil, Inc. to compensate applicant for certain revenues received by Meridian corresponding to the 320-acre non-standard gas proration unit previously approved by Division Order No. R-5448, Lea County, New Mexico.** Applicant seeks to amend Division Order No. R-5448, dated June 8, 1977, which authorized the formation of a 320-acre non-standard gas proration unit in the Eumont Gas Pool comprising the W/2 E/2 and E/2 W/2 of Section 7, Township 20 South, Range 37 East, and had dedicated thereon the Britt Well Nos. 3 and 12, located in Units "G" and "C", respectively, of said Section 7 (both wells are now operated by Meridian Oil, Inc.), by rededicating to said wells a 200-acre non-standard gas proration unit to comprise the W/2 NE/4, E/2 NW/4, and NE/4 SW/4 of said Section 7 and the formation of a 120-acre non-standard gas proration unit to comprise the SE/4 SW/4 and W/2 SE/4 of said Section 7. The applicant further seeks an order pooling all mineral interests within said Eumont Gas Pool underlying the proposed 120-acre non-standard gas spacing and proration unit, which is to be dedicated to a well to be drilled and completed at an orthodox location within said unit. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and unit and a charge for risk involved in drilling and completing said well. Further, the applicant seeks an order from the Division directing Meridian Oil, Inc. to compensate Doyle Hartman, Oil Operator its proportional share of revenues, for the period September 1, 1991 to the present, corresponding to the 320-acre non-standard unit previously approved under Order No. R-5448. Said 320-acre tract is located approximately 3 miles south southwest of Monument, New Mexico.

**CASE 11537:** In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Rio Arriba and San Juan Counties, New Mexico.

- (a) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the La Jara Canyon-Gallup Pool. The discovery well is the Phillips Petroleum Company San Juan 30-5 Unit Well No. 91 located in Unit L of Section 25, Township 30 North, Range 5 West, NMPM. Said pool would comprise:

**TOWNSHIP 30 NORTH, RANGE 5 WEST, NMPM**

Section 25: SW/4

- (b) CREATE a new pool in San Juan County, New Mexico, classified as a gas pool for Fruitland Sand production and designated as the McDermott Wash-Fruitland Sand Pool. The discovery well is the Meridian Oil Inc. Hubbard Well No. 6 located in Unit N of Section 15, Township 32 North, Range 12 West, NMPM. Said pool would comprise:

**TOWNSHIP 32 NORTH, RANGE 12 WEST, NMPM**

Section 15: SW/4

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

**TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM**

Section 7: S/2

Section 8: S/2

Section 9: W/2

Section 16: W/2

Sections 17 through 20: All

Section 29: All

Section 30: N/2 and SE/4

- (d) EXTEND the Devils Fork-Gallup Associated Pool in Rio Arriba County, New Mexico, to include therein:

**TOWNSHIP 25 NORTH, RANGE 6 WEST, NMPM**

Section 18: All

Section 19: N/2

**TOWNSHIP 25 NORTH, RANGE 7 WEST, NMPM**

Section 13: All

Section 14: S/2

Sections 24 and 25: All

Section 36: N/2 and SW/4

**DOCKET: EXAMINER HEARING - THURSDAY - APRIL 18, 1996**

8:15 A.M. - San Juan College, Room 7103

Farmington, New Mexico

Dockets Nos 13-96 and 14-96 are tentatively set for May 2, 1996 and May 16, 1996. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 11511:** Application of Fuller Production, Inc. for compulsory pooling and unorthodox gas well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the N/2 of Section 33, Township 21 South, Range 33 East, for all formations developed on 320-acre spacing. Said unit is to be dedicated to the applicant's Merchant Livestock Co. Federal 33 Well No. 1 to be drilled at an unorthodox gas well location 660 feet from the North line and 2080 feet from the East 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 24 miles west of Eunice, New Mexico.

**CASE 11470:** (Continued from March 21, 1996, Examiner Hearing)

Application of Energy Development Corporation for salt water disposal, Sandoval County, New Mexico. Applicant seeks authority to inject produced water into the Menefee formation through perforations from 2,438 - 2,624 feet in its existing San Isidro (Shallow) Unit Well No. 7-11, located 2074 feet from the South line and 1,650 feet from the West line (Unit K) of Section 7, Township 20 North, Range 2 West. Said well is located approximately 8 miles southwest of Cuba, New Mexico.

**CASE 11512:** Application of Marathon Oil Company, Kerr-McGee Corporation and Santa Fe Energy Resources Inc. to terminate gas prorationing, to infill drill and to amend the special pool rules and regulations for the Indian Basin-Morrow Gas Pool, Eddy County, New Mexico. Applicants seek the termination of gas prorationing in the Indian Basin-Morrow Gas Pool including the cancellation of all accumulated over and under production. Applicants also seek the promulgation for said pool of a special pool rule authorizing infill drilling of a second well on a standard 640-acre spacing unit. In addition, applicants seek to amend Rule 4 of the current special pool rules for this pool to provide for standard well locations not closer than 660 feet to the outer boundary of a spacing unit. Said pool is located in portions of Township 21 South, Range 23 East and Township 21 South, Range 24 East, the center of which is located approximately 18.5 miles west of Carlsbad, New Mexico.

**CASE 11493:** (Continued from March 21, 1996, Examiner Hearing. - This Case Will Be Continued to May 2, 1996.)

Application of Bonneville Fuels Corporation for pool contraction, pool creation, the promulgation of special pool rules, and the assignment of a special limiting gas-oil ratio, Lea County, New Mexico. Applicant, seeks to contract the boundaries of the South Humble City-Strawn Pool by deleting therefrom the W/2 SW/4 of Section 13 and the S/2 of Section 14, both in Township 17 South, Range 37 East, and the concomitant creation of a new pool for the production of oil from the Strawn formation comprising said acreage. The applicant further seeks the promulgation of special rules and regulations therefor, including provisions for 80-acre spacing and proration units, designated well location requirements, and a gas-oil ratio limitation of 8,000 cubic feet of gas per barrel of oil. The above-described area is located approximately 2.5 miles north of Humble City, New Mexico.

**CASE 11016:** (Reopened - Continued from March 21, 1996, Examiner Hearing.)

In the matter of Case No. 11016 being reopened pursuant to the provisions of Division Order No. R-5353-P, which order created the North Teague-Tubb Associated Pool, Lea County, New Mexico, and promulgated temporary special pool rules. Operators in the subject pool may appear and show cause why the North Teague-Tubb Associated Pool should not be reclassified as an oil pool and why a gas-oil ratio limitation of 6,000:1 is appropriate for this pool.

**CASE 11017:** (Reopened - Continued from March 21, 1996, Examiner Hearing.)

In the matter of Case No. 11017 being reopened pursuant to the provisions of Division Order No. R-5353-Q, which order reclassified the North Teague Lower Paddock-Blinbry Gas Pool, Lea County, New Mexico, and promulgated temporary special pool rules. Operators in the subject pool may appear and show cause why said North Teague Lower Paddock-Blinbry Associated Pool should not be reclassified as an oil pool why a gas-oil ratio limitation of 6,000:1 is appropriate for this pool.

**CASE 11018:** (Reopened - Continued from March 21, 1996, Examiner Hearing.)

In the matter of Case No. 11018 being reopened pursuant to the provisions of Division Order No. R-10199, which order created the North Teague Drinkard-Abo Pool, Lea County, New Mexico, promulgated temporary special pool rules. Operators in the subject pool may appear and show cause why a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil is appropriate on a permanent basis for said pool.

**CASE 11513:** Application of Manzano Oil Corporation for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 160-acre spacing from the surface to the base of the Strawn formation, underlying the SW/4 of Section 11, Township 16 South, Range 36 East. Said unit is to be dedicated to its "SV" Chipshot Well No. 1 which will be drilled at an unorthodox location 2164 feet from the South line and 1362 feet from the West line of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles southeast of Lovington, New Mexico.

**CASE 11495:** (Continued from March 21, 1996, Examiner Hearing.)

Application of Penwell Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 28 for all formations developed on 320-acre spacing, the NW/4 of Section 28 for all formations developed on 160-acre spacing, the N/2 NW/4 of Section 28 for all formations developed on 80-acre spacing and the NE/4 NW/4 of Section 28 for all formations developed on 40-acre spacing, all in Township 23 South, Range 26 East. Applicant proposes to dedicate this pooled unit to its F. H. State "28" Com Well No. 1 to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 28 to test any and all formations to the base of the Morrow formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said unit is located approximately 10 miles south of Carlsbad, New Mexico.

**CASE 11506:** (Continued from April 4, 1996, Examiner Hearing.)

Application of Penwell Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the W/2 of Section 32 for all formations developed on 320-acre spacing, the SW/4 of Section 32 for all formations developed on 160-acre spacing, the N/2 SW/4 of Section 32 for all formations developed on 80-acre spacing, and the NE/4 SW/4 of Section 32 for all formations developed on 40-acre spacing, all in Township 21 South, Range 26 East. Applicant proposes to dedicate this pooled unit to its Rifleman North AFQ 32 State Com Well No. 1 to be drilled at a standard location 1980 feet from the South and West lines in Unit K of said Section 32 to test any and all formations to the base of the Strawn formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said area is located approximately 4 miles west-northwest of Carlsbad, New Mexico.

**CASE 11514:** Application of Read & Stevens, Inc. for an unorthodox infill gas well location and simultaneous dedication, Chaves County, New Mexico. Applicant seeks approval of an unorthodox infill gas well location in the Buffalo Valley-Pennsylvanian (Prorated) Gas Pool for a well to be drilled 990 feet from the South line and 1980 feet from the West line (Unit O) of Section 26, Township 15 South, Range 27 East. Said well is to be simultaneous dedicated with the existing Harris Federal Well No. 4, located at a standard gas well location in Unit "P" of said Section 26, to a standard 320-acre gas spacing and proration unit comprising the S/2 of said Section 26. Said unit is located approximately 9.5 miles southeast of Lake Arthur, New Mexico.

**CASE 11499:** (Continued from March 21, 1996, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Deanie Lou, American Manufacturer's Mutual Insurance Company, Surety, and all other interested parties to appear and show cause why the Ring Well No. 1 located in Unit C of Section 32, Township 6 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond.

**CASE 11515:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator Woosley Oil Co., American Employers' Insurance Company, and all other interested parties to appear and show cause why the Santa Fe Energy Well No. 1 located in Unit P of Section 8, Township 19 North, Range 6 West; Santa Fe Energy Well No. 2 located in Unit A of Section 17, Township 19 North, Range 6 West; State Well No. 1 located in Unit D of Section 16, Township 19 North, Range 6 West; State Well No. 2 located in Unit C of Section 16, Township 19 North, Range 6 West; State Well No. 3 located in Unit A of Section 16, Township 19 North, Range 6 West; Ptasynski A Well No. 1 located in Unit I of Section 11, Township 19 North, Range 5 West; and Ptasynski A Well No. 2 located in Unit J of Section 11, Township 19 North, Range 5 West; all located in McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said wells, and ordering a forfeiture of the plugging bond. The center of the area encompassing said wells is located approximately 10 miles southeast of Chaco Canyon National Monument, New Mexico.

**CASE 11516:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, H & W Enterprises, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Mobil State Well No. 1, located in Unit H of Section 16, Township 17 South, Range 31 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. Said well is located approximately 6 miles west-southwest of Maljamar, New Mexico.

**CASE 11517:** In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Mercury Production Company, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Constate Well No. 1, located in Unit D of Section 36, Township 16 South, Range 31 East Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond. Said well is located approximately 9 miles west-northwest of Maljamar, New Mexico.

**CASE 11518:** Application of Sunco Trucking Company for approval to modify its Rule 711-permitted surface waste disposal facility, San Juan County, New Mexico. Applicant seeks approval to modify its Rule 711-permitted surface waste disposal located in the SW/4 NW/4 of Section 2, Township 29 North, Range 12 West. Applicant requests approval to construct and operate a 5-acre centralized landfarm within the 40-acre facility currently permitted to dispose of produced waters. The landfarm will receive contaminated soils and sludges from the produced water disposal operation on the facility, which are classified as "non-hazardous" oil field waste by RCRA Subtitle C exemption or by characteristic testing, to be spread on the ground in six inch lifts or less and periodically stirred to enhance the biodegradation of the contaminants. Said facility is located approximately 7 miles east-northeast of Farmington, New Mexico.

**CASE 11481:** (Continued from April 4, 1996, Examiner Hearing.)

Application of Nearburg Exploration Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its proposed Black River "10" Federal Com Well No. 1 at an unorthodox gas well location 1330 feet from the North line and 990 feet from the West line (Unit E) of Section 10, Township 24 South, Range 26 East, to be dedicated to a standard 320-acre spacing unit consisting of the W/2 of said Section 10 and to be dedicated to any and all production therein including but not necessarily limited to the Undesignated South Carlsbad-Morrow Gas Pool. Said unit is located approximately 10 1/2 miles southwest of Whites City, New Mexico.

**CASE 11475:** (Continued from April 4, 1996, Examiner Hearing)

Application of Texaco Exploration and Production Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the SW/4 of Section 23 for all formations developed on 160-acre spacing, in the W/2 SW/4 of Section 23 for all formations developed on 80-acre spacing and in the SW/4 SW/4 of Section 23 for all formations developed on 40-acre spacing, in Township 26 South, Range 37 East. Said units are to be dedicated to its Rhodes "23" Fed. Com Well No. 1 to be drilled at a standard location 660 feet from the South line and 660 feet from the West line in the SW/4 of said Section 23 and drilled to the Rhodes Yates-Seven Rivers Gas Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said area is located approximately 5 miles south-southeast of Jal, New Mexico.

**CASE 11476:** (Continued from April 4, 1996, Examiner Hearing.)

Application of Doyle Hartman and Margaret Hartman, d/b/a Doyle Hartman, Oil Operator, for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the SW/4 of Section 23, Township 26 South, Range 37 East for all formations developed on 160-acre spacing. Said unit is to be dedicated to a well to be drilled at a standard location 1980 feet from the South line and 660 feet from the West line of said Section 23 and drilled to the Rhodes Yates-Seven Rivers Gas Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said area is located approximately 5 miles south-southeast of Jal, New Mexico.

**CASE 11519:** In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating and extending certain pools in Lea County, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Allison-Devonian Pool. The discovery well is the Layton Enterprises Inc. El Zorro H Federal Well No. 1 located in Unit H of Section 1, Township 9 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM

Section 1: NE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the North Crossroads-Devonian Pool. The discovery well is the Cobra Oil & Gas Corporation Aleshire 9 Well No. 1 located in Unit J of Section 9, Township 9 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 36 EAST, NMPM

Section 9: SE/4

- (c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Fowler-Abo Pool. The discovery well is the Arch Petroleum Inc. Plains Knight Well No. 4 located in Unit K of Section 23, Township 24 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM

Section 23: W/2

- (d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Quail Ridge-Atoka Gas pool. The discovery well is the Mallon Oil Company Pennzoil 36 State Well No. 1 located in Unit I of Section 36, Township 19 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 36: E/2

- (e) EXTEND the North Bell Lake-Ellenburger Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 6: All

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

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 10: SE/4

- (g) EXTEND the Southwest Eunice-San Andres pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 16: NW/4

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

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM

Section 9: N/2

- (i) EXTEND the East Gem-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 30: SW/4

Section 31: N/2



- (j) EXTEND the Hare-San Andres Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 10: SE/4

Section 22: NE/4

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

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 1: NW/4

- (l) EXTEND the Teas-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 18: S/2

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