

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 20, 1997

8:15 AM - 2040 South Pacheco
Santa Fe, New Mexico

Dockets Nos 10-97 and 11-97 are tentatively set for April 3, 1997 and April 17, 1997. 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 11639: (Continued from February 20, 1997, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the N/2 of Section 8, Township 18 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. Applicant proposes to dedicate this pooled unit to its Scoggin Draw "8" State Well No. 1, to be drilled at an orthodox location 660 feet from the North line and 2250 feet from the East line (Unit B) of said Section 8. 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 11 miles southwest of Artesia, New Mexico.

CASE 11746: **Application of SDX Resources, Inc. to abolish both the East Millman-Seven Rivers Pool and the Palmillo-Seven Rivers Pool and to extend the vertical and horizontal limits of the East Millman Queen-Grayburg-San Andres Pool, Eddy County and to redesignate said pool as the East Millman Queen-Grayburg-San Andres-Yates-Seven Rivers Pool, New Mexico.** Applicant seeks an order abolishing both the East Millman-Seven Rivers Pool, which currently comprises all or parts of Sections 11, 14, 21, 22, 23, 28 and 29, Township 19 South, Range 28 East, and the Palmillo-Seven Rivers Pool which currently comprises the NW/4 of Section 18, Township 19 South, Range 29 East, and to concomitantly expand the horizontal limits of the East Millman Queen-Grayburg-San Andres Pool to include all the acreage contained within the aforesaid East Millman-Seven Rivers and Palmillo-Seven Rivers Pools, and expand the vertical limits of the East Millman Queen-Grayburg-San Andres Pool to include the Yates and Seven Rivers formations. Said affected acreage is located in portions or all of Sections 1, 11, 12, 13, 14, 15, 21, 22, 23, 24, 27, 28, 29 of Township 19 South, Range 28 East, and portions or all of Sections 6, 7, 17 and 18 of Township 19 South, Range 29 East. Said area is centered approximately 9 miles southwest of Loco Hills, New Mexico.**CASE 11743:** (Continued from March 6, 1997, Examiner Hearing.)

Application of Santa Fe Energy Resources, 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 following described acreage in Section 17, Township 22 South, Range 28 East, and in the following manner: the N/2 of Section 17 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Undesignated West Indian Flats-Strawn Gas Pool, the Undesignated Dublin Ranch-Atoka Gas Pool, and the Undesignated Dublin Ranch-Morrow Gas Pool; and the NE/4 of Section 17 to form a 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 units are to be dedicated to its Foal "17" Fed. Well No. 1, to be drilled at an orthodox location 1980 feet from the North line and 1980 feet from the East line (Unit G) of said Section 17. 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 7 1/2 miles north of Loving, New Mexico.

CASE 11089 (Reopened - Continued from February 20, 1997, Examiner Hearing.)

In the matter of Case No. 11089 being reopened pursuant to the provisions of Division Order No. R-46-A, which order promulgated Temporary Special Pool Rules and Regulations for the Parker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools in San Juan, County, New Mexico. Operators should appear and show cause why the rules should not be rescinded.

CASE 11747: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling and an unorthodox gas well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 14, Township 21 South, Range 32 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the South Salt Lake-Morrow Gas Pool, and forming a standard 160-acre gas spacing and proration unit underlying the NW/4 of said Section 14 for any and all formations/pools developed on 160-acre gas spacing. Said unit is to be dedicated to its Aztec "14" Federal Com Well No. 1 to be drilled and completed at an unorthodox gas well location 1980 feet from the North line and 2180 feet from the West line (Unit F) of said Section 14. Also to be considered will be the costs 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 Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 7 miles southeast of the intersection of State Highway 176/FAS 1217 and U. S. Highway 180 (Laguna Gatuna Area), New Mexico.

CASE 11649: (Continued from March 6, 1997, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the N/2, in all formations developed on 160-acre spacing underlying the NE/4, in all formations developed on 80-acre spacing underlying the N/2 NE/4, and in all formations developed on 40-acre spacing underlying the NW/4 NE/4 from the surface to the base of the Morrow formation, Cemetery-Morrow Gas Pool, of Section 26, Township 19 South, Range 25 East. Said units are to be dedicated to its Morris 26B Well No.1 which will be drilled at a standard location 660 feet from the North line and 1650 feet from the East line (Unit B) of said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 4 ½ miles west of Lakewood, New Mexico.

CASE 11722: (Readvertised - Continued from March 6, 1997, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 28, Township 20 South, Range 33 East, 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 may include but is not necessarily limited to the Halfway-Atoka Gas Pool and the South Salt Lake-Morrow Gas Pool, and forming a standard 160-acre gas spacing and proration unit underlying the SE/4 of said Section 28 for any and all formations/pools developed on 160-acre gas spacing. Said unit is to be dedicated to its Tomahawk "28" Federal Com Well No. 1 to be drilled and completed at a standard well location in Unit I of said Section 28. Also to be considered will be the costs 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 Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling said well. In addition, applicant seeks an order reducing the overriding royalty burdens on the SW/4 SE/4 of said Section 28 so that the net revenue interest for that tract is not less than 75%. Said unit is located approximately 3 miles east of the intersection of State Highway 176/FAS 1217 and U.S. Highway 180 (Laguna Gatuna Area), New Mexico.

CASE 11714: (Continued from March 6, 1997, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the S/2, in all formations developed on 160-acre spacing underlying the SE/4, in all formations developed on 80-acre spacing underlying the S/2 SE/4, and in all formations developed on 40-acre spacing underlying the SW/4 SE/4 from the surface to the base of the Morrow formation in Section 3, Township 24 South, Range 33 East. Said unit is to be dedicated to its Quest "AQS" State Well No. 1 which will be drilled as a wildcat well at a standard location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 3. Also to be considered will be the costs 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles east of the intersection of Highway FAS 1271 with the Lea County/Eddy County line.

CASE 11739: (Continued from March 6, 1997, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling and a non-standard oil proration unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lots 8 and 9 of irregular Section 2, Township 16 South, Range 35 East, forming a non-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 West Lovington-Strawn Pool. 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 said well. Said unit is located approximately 3.5 miles west of Lovington, New Mexico.

CASE 11748: **Application of Enron Oil & Gas Company for downhole commingling, Eddy County, New Mexico.** Applicant seeks approval to downhole commingle production from the Atoka formation, Sand Tank-Atoka Gas Pool, and the Morrow formation, Undesignated Sand Tank-Morrow Gas Pool, within the wellbore of its Sand Tank "6" Federal Well No. 1 located 1980 feet from the North line and 1650 feet from the East line (Unit G) of Section 6, Township 18 South, Range 30 East. Said area is located approximately three miles south-southwest of Loco Hills, New Mexico.

CASE 11040: (Reopened - Continued from March 6, 1997, Examiner Hearing.)

In the matter of Case No. 11040 being reopened pursuant to the provisions of Division Order No. R-5353-O-1, which order promulgated temporary special rules and regulations for the Burton Flat-Bone Spring Associated Pool in Eddy County, New Mexico. Operators in the subject pool may appear and present evidence and testimony as to the reservoir with regards to making these rules permanent.

CASE 11728: (Continued from March 6, 1997, Examiner Hearing.)

Application of Thompson Engineering & Production Company for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks authorization to drill its Steward Com Well No. 1 at an unorthodox "off pattern" coal gas well location in the Basin Fruitland Coal (Gas) Pool 790 feet from the South and East lines (Unit P) of Section 28, Township 32 North, Range 13 West. The E/2 of said Section 28 is to be dedicated to said well forming a standard 320-acre spacing and proration unit. Said unit is located approximately 3 miles north of La Plata, New Mexico.

CASE 11749: **Application of KCS Medallion Resources, Inc. for compulsory pooling and an unorthodox well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests for all formations developed on 320-acre spacing underlying the E/2; in all formations developed on 160-acre spacing underlying the SE/4; in all formations developed on 80-acre spacing underlying the S/2 SE/4; and in all formations developed on 40-acre spacing underlying the SW/4 SE/4 of Section 14, Township 17 South, Range 28 East, from the surface to the base of the Morrow formation. Said units are to be dedicated to its Aid State Well No. 14-1 to be drilled at an unorthodox location 660 feet from the South line and 1330 feet from the East line (Unit O) of said Section 14. 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 13 miles east of Artesia, New

CASE 11730: (Continued from February 20, 1997, Examiner Hearing.)

Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Undesignated Red Tank-Bone Spring Pool underlying the SE/4 SE/4 (Unit P) of Section 24, Township 22 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 26 miles southwest by west of Eunice, New Mexico.

CASE 11731: (Continued from February 20, 1997, Examiner Hearing.)

Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Undesignated Red Tank-Bone Spring Pool underlying the NE/4 SE/4 (Unit D) of Section 24, Township 22 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 26 miles southwest by west of Eunice, New Mexico.

CASE 11732: (Continued from February 20, 1997, Examiner Hearing.)

Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Undesignated Red Tank-Bone Spring Pool underlying the NE/4 NE/4 (Unit A) of Section 24, Township 22 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 26 miles southwest by west of Eunice, New Mexico.

CASE 11733: (Continued from February 20, 1997, Examiner Hearing.)

Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Red Tank-Bone Spring Pool underlying the SW/4 SW/4 (Unit M) of Section 24, Township 22 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 26 miles southwest by west of Eunice, New Mexico.

CASE 11734: (Continued from February 20, 1997, Examiner Hearing.)

Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Red Tank-Bone Spring Pool underlying the NW/4 SW/4 (Unit L) of Section 24, Township 22 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 26 miles southwest by west of Eunice, New Mexico.

CASE 11735: (Continued from February 20, 1997, Examiner Hearing.)

Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Undesignated Red Tank-Bone Spring Pool underlying the SW/4 SE/4 (Unit O) of Section 24, Township 22 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 26 miles southwest by west of Eunice, New Mexico.

CASE 11724: (Continued from March 6, 1997, Examiner Hearing.)

Application of Gillespie-Crow, Inc. for unit expansion, statutory unitization, and qualification of the expanded unit area for the recovered oil tax rate and certification of a positive production response pursuant to the "New Mexico Enhanced Oil Recovery Act", Lea County, New Mexico. Applicant seeks an order expanding the West Lovington Strawn Unit and unitizing all mineral interests in the designated and Undesignated West Lovington-Strawn Pool underlying the S/2 SE/4 of Section 28, all of Section 33, and the W/2 and W/2 SE/4 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, comprising 1618.95 acres, more or less, of state, federal, and fee lands. Among the matters to be considered at the hearing, pursuant to the New Mexico Statutory Unitization Act, Sections 70-7-1 et. seq., will be: the necessity of unit operations; 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 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. Applicant further seeks to qualify the expanded unit area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5), and to certify two wells within the expanded unit area for a positive production response. Said unit is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

CASE 11713: (Continued from February 20, 1997, Examiner Hearing.)

Application of Bass Enterprises Production Company and Santa Fe Energy Company for the rescission of Division Administrative Order No. NSL-3745, Eddy County, New Mexico. Applicants seek the rescission of Division Administrative Order No. NSL-3745, which authorized Mewbourne Oil Company to drill its Scanlon Draw "35" State Well No. 1 at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 35, Township 18 South, Range 28 East, to test the North Turkey Track-Morrow Gas Pool formation within a standard 320-acre gas spacing and proration unit comprising the W/2 of said Section 35. Said unit is located approximately 12.5 miles southwest of Loco Hills, New Mexico.

CASE 11736: (Continued from March 6, 1997, Examiner Hearing.)

Application of John H. Hendrix Corporation for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location in the Eumont Gas Pool for its existing New Mexico "B" State Well No. 6 (API No. 30-025-33352) located 990 feet from the North line and 2310 feet from the East line (Unit B) of Section 29, Township 21 South, Range 36 East. Further, the applicant seeks to dedicate said well to a non-standard 40-acre gas spacing and proration unit comprising the NW/4 NE/4 of said Section 29, which is located approximately 7 miles west of Eunice, New Mexico.

CASE 11516: (Continued from February 20, 1997, 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.

Dockets Nos 7-97 and 8-97 are tentatively set for March 6, 1997 and March 20, 1997. 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 11708: (Readvertised)

Application of Phillips Petroleum Company for the establishment of a downhole commingling reference case for its San Juan 29-5 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, Rio Arriba County, New Mexico. Applicant in accordance with Division Rule 303.E seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 29-5 Unit located in Township 29 North, Range 5 West. The center of said area is located approximately 1 mile east of the Gobernador Camp, New Mexico.

CASE 11709: (Readvertised)

Application of Phillips Petroleum Company for the establishment of a downhole commingling reference case for its San Juan 30-5 Unit pursuant to Division Rule 303.E and the adoption of special administrative rules therefor, Rio Arriba County, New Mexico. Applicant in accordance with Division Rule 303.E seeks to establish a downhole commingling reference case to provide for (a) marginal economic criteria, (b) pressure criteria, (c) allocation formulas, and (d) modification of notification rules on an area-wide basis authorization for downhole commingling of Dakota, Mesaverde, Fruitland Coal and Pictured Cliffs gas production in the wellbores of existing or future wells drilled anywhere within the San Juan 30-5 Unit located in Township 30 North, Range 5 West. The center of said area is located approximately 7 miles north-northwest of the Gobernador Camp, New Mexico.

CASE 11722: Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 28, Township 20 South, Range 33 East, 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 may include but is not necessarily limited to the Halfway-Atoka Gas Pool and the South Salt Lake-Morrow Gas Pool, and forming a standard 160-acre gas spacing and proration unit underlying the SE/4 of said Section 28 for any and all formations/pools developed on 160-acre gas spacing. Said unit is to be dedicated to its Tomahawk "28" Federal Com Well No. 1 to be drilled and completed at a standard well location in Unit I of said Section 28. Also to be considered will be the costs 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 miles east of the intersection of State Highway 176/FAS 1217 and U.S. Highway 180 (Laguna Gatuna Area), New Mexico.

CASE 11089 (Reopened - Continued from February 6, 1997, Examiner Hearing.)

In the matter of Case No. 11089 being reopened pursuant to the provisions of Division Order No. R-46-A, which order promulgated Temporary Special Pool Rules and Regulations for the Parker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools in San Juan, County, New Mexico. Operators should appear and show cause why the rules should not be rescinded.

CASE 11723: Application of Mewbourne Oil Company for an unorthodox gas well location and non-standard gas proration unit, Eddy County, New Mexico. Applicant seeks authorization to drill a well at an unorthodox gas well location 660 feet from the South line and 2310 feet from the East line (Lot 31-Unit W) of Irregular Section 1, Township 21 South, Range 25 East, to test the Catclaw Draw-Morrow Gas Pool. Lots 29, 30, 31, and 32 and the SW/4 (S/2 equivalent) of said irregular Section 1 is to be dedicated to said well to form a non-standard 297.88-acre, more or less, gas spacing and proration unit for said pool. Said unit is located approximately 9 miles northwest of Carlsbad, New Mexico.

CASE 11632: (Continued from January 23, 1997, Examiner Hearing.)

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Abo formation to the base of the Morrow formation underlying the N/2 of Section 8, Township 18 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. Applicant proposes to dedicate this pooled unit to its Scoggin Draw "8" State Well No. 1, to be drilled at an orthodox location 660 feet from the North line and 2250 feet from the East line (Unit B) of said Section 8. 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 11 miles southwest of Artesia, New Mexico.

- CASE 11724:** Application of Gillespie-Crow, Inc. for unit expansion, statutory unitization, and qualification of the expanded unit area for the recovered oil tax rate and certification of a positive production response pursuant to the "New Mexico Enhanced Oil Recovery Act", Lea County, New Mexico. Applicant seeks an order expanding the West Lovington Strawn Unit and unitizing all mineral interests in the designated and Undesignated West Lovington-Strawn Pool underlying the S/2 SE/4 of Section 28, all of Section 33, and the W/2 and W/2 SE/4 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, comprising 1618.95 acres, more or less, of state, federal, and fee lands. Among the matters to be considered at the hearing, pursuant to the New Mexico Statutory Unitization Act, Sections 70-7-1 et. seq., will be: the necessity of unit operations; 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 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. Applicant further seeks to qualify the expanded unit area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5), and to certify two wells within the expanded unit area for a positive production response. Said unit is located approximately 4.5 miles west-northwest of Lovington, New Mexico.
- CASE 11725:** Application of Manzano Oil Corporation for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation, underlying the following described acreage in Section 2, Township 16 South, Range 36 East, and in the following manner: (a) the S/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any pools developed on 80-acre spacing within said vertical extent, which presently includes the Undesignated North Lovington-Wolfcamp Pool and the Undesignated Northeast Lovington-Pennsylvanian Pool; and, (b) 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. Said units are to be dedicated to a single well to be drilled at an unorthodox oil well location for both the 40 and 80-acre tracts 487 feet from the South line and 1270 feet from the East line (Unit O) of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling said well. Said well location is approximately one mile east of Lovington, New Mexico.
- CASE 11726:** Application of ARCO Permian, a unit of Atlantic Richfield for compulsory pooling, directional drilling and unorthodox well locations, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the S/2, in all formations developed on 160-acre spacing underlying the SW/4, in all formations developed on 80-acre spacing underlying the S/2 SW/4, and in all formations developed on 40-acre spacing underlying the SE/4 SW/4, from below 3300 feet to the base of the Upper Mississippian formation, of Section 8, Township 18 South, Range 28 East. Said units are to be dedicated to its Mimosa 8 State Com Well No. 1 which will be directionally drilled from an unorthodox surface location 350 feet from the South line and 2003 feet from the West line (Unit N) to an unorthodox bottomhole location in the Mississippian and Morrow formations, within 55 feet of a point 404 feet from the South line and 1749 feet from the West line of said Section 36. 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 14 miles southeast of Artesia, New Mexico.
- CASE 11727:** Application of ARCO Permian, a Division of Atlantic Richfield Company, for an unorthodox bottomhole location and directional drilling, Eddy County, New Mexico. Applicant seeks authorization to directionally drill its Evelyn 35 State Com Well No. 1 to the base of the Upper Mississippian formation from a surface location 1730 feet from the North line and 660 feet from the East line (Unit H) to an unorthodox bottomhole location within 100 feet of a point in the Morrow formation, South Empire-Morrow Gas Pool, 1253 feet from the North line and 508 feet from the East line of Section 35, Township 17 South, Range 28 East. The N/2 of said Section 35 shall be dedicated to this well. Said area is located approximately 18 miles southeast of Artesia, New Mexico.
- CASE 11728:** Application of Thompson Engineering & Production Company for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks authorization to drill its Steward Com Well No. 1 at an unorthodox "off pattern" coal gas well location in the Basin Fruitland Coal (Gas) Pool 790 feet from the South and East lines (Unit P) of Section 28, Township 32 North, Range 13 West. The E/2 of said Section 28 is to be dedicated to said well forming a standard 320-acre spacing and proration unit. Said unit is located approximately 3 miles north of La Plata, New Mexico.
- CASE 11729:** Application of Penwell Energy, Inc. for a unit agreement, Eddy County, New Mexico. Applicant seeks approval of the Chimayo Unit Agreement for an area comprising 4,160 acres, more or less, of Federal and State lands in all or portions of Sections 7, 8, 9, 16, 17, 20, 21 and 28 of Township 25 South, Range 29 East, which is located approximately 20 miles southeast of Carlsbad, New Mexico.

CASE 11730: Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Undesignated Red Tank-Bone Spring Pool underlying the SE/4 SE/4 (Unit P) of Section 24, Township 22 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 26 miles southwest by west of Eunice, New Mexico.

CASE 11731: Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Undesignated Red Tank-Bone Spring Pool underlying the NE/4 SE/4 (Unit I) of Section 24, Township 22 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 26 miles southwest by west of Eunice, New Mexico.

CASE 11732: Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Undesignated Red Tank-Bone Spring Pool underlying the NE/4 NE/4 (Unit A) of Section 24, Township 22 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 26 miles southwest by west of Eunice, New Mexico.

CASE 11733: Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Red Tank-Bone Spring Pool underlying the SW/4 SW/4 (Unit M) of Section 24, Township 22 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 26 miles southwest by west of Eunice, New Mexico.

CASE 11734: Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Red Tank-Bone Spring Pool underlying the NW/4 SW/4 (Unit L) of Section 24, Township 22 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 26 miles southwest by west of Eunice, New Mexico.

CASE 11735: Application of Penwell Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Undesignated Red Tank-Bone Spring Pool underlying the SW/4 SE/4 (Unit O) of Section 24, Township 22 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 26 miles southwest by west of Eunice, New Mexico.

CASE 11712: (Continued from January 23, 1997, Examiner Hearing.)

Application of InterCoast Oil and Gas Company 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 S/2 of Section 33, Township 17 South, Range 29 East in the following manner: S/2 for all formations developed on 320-acre spacing; the SE/4 for all formations developed on 160-acre spacing; the N/2 SE/4 for all formations developed on 80-acre spacing; and the NW/4 SE/4 for all formations developed on 40-acre spacing. Applicant proposes to dedicate this pooled unit to its Bear Grass Draw Well No. 33-1 to be drilled to the Morrow formation at a standard location 1980 feet from the South line and 1650 feet from the East line (Unit J) of said Section 33. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6 miles southwest of Loco Hills, New Mexico.

CASE 11736: Application of John H. Hendrix Corporation for a non-standard gas proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location in the Eumont Gas Pool for its existing New Mexico "B" State Well No. 6 (API No. 30-025-33352) located 990 feet from the North line and 2310 feet from the East line (Unit B) of Section 29, Township 21 South, Range 36 East. Further, the applicant seeks to dedicate said well to a non-standard 40-acre gas spacing and proration unit comprising the NW/4 NE/4 of said Section 29, which is located approximately 7 miles west of Eunice, New Mexico.

CASE 11713: (Continued from January 23, 1997, Examiner Hearing.)

Application of Bass Enterprises Production Company and Santa Fe Energy Company for the rescission of Division Administrative Order No. NSL-3745, Eddy County, New Mexico. Applicants seek the rescission of Division Administrative Order No. NSL-3745, which authorized Mewbourne Oil Company to drill its Scanlon Draw "35" State Well No. 1 at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 35, Township 18 South, Range 28 East, to test the North Turkey Track-Morrow Gas Pool formation within a standard 320-acre gas spacing and proration unit comprising the W/2 of said Section 35. Said unit is located approximately 12.5 miles southwest of Loco Hills, New Mexico.

CASE 11516: (Continued from January 23, 1997, 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 11714: (Continued from February 6, 1997, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the S/2, in all formations developed on 160-acre spacing underlying the SE/4, in all formations developed on 80-acre spacing underlying the S/2 SE/4, and in all formations developed on 40-acre spacing underlying the SW/4 SE/4 from the surface to the base of the Morrow formation in Section 3, Township 24 South, Range 33 East. Said unit is to be dedicated to its Quest "AQS" State Well No. 1 which will be drilled as a wildcat well at a standard location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 3. Also to be considered will be the costs 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles east of the intersection of Highway FAS 1271 with the Lea County/Eddy County line.

CASE 11718: (Continued from February 6, 1997, Examiner Hearing.)

Application of Wiser Oil Company for an expansion of its waterflood project, Eddy County, New Mexico. Applicant seeks to expand its Skelly Unit Waterflood Project and inject water into 62 additional wells: 9 wells in Section 14, 11 wells in Section 15, 10 wells in Section 21, 7 wells in Section 22, 10 wells in Section 23, 1 well in Section 26, 4 wells in Section 27, and 10 wells in Section 28, all within Township 17 South, Range 31 East, to provide additional injection service for the existing Skelly Unit Waterflood approved by Order No. R-3214. The zones to be injected into are the Vacuum-Grayburg and San Andres at an average TD of 3900' with a maximum injection rate of 250 BWPD/well at a maximum pressure of 2600 psi. Said project is located approximately 7 miles east of Loco Hills, New Mexico.

CASE 11737: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order creating, abolishing, contracting, reclassifying, and extending the vertical and horizontal limits of certain pools in Chaves, Lea, and Roosevelt Counties, New Mexico.

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the South Berry-Bone Spring Pool. The discovery well is the Yates Petroleum Corporation Alphabet Unit Well No. 2 located in Unit F of Section 17, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 17: NW/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the West Bilbrey-Atoka Gas Pool. The discovery well is the Kaiser Francis Oil Company Federal CK Com Well No. 1 located in Unit H of Section 6, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 6: E/2

- (c) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the East Caprock-Atoka Gas Pool. The discovery well is the J & G Enterprise LTD Company Stetson Well No. 1 located in Unit G of Section 26, Township 12 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM

Section 26: N/2

- (d) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the West Cinta Roja-Morrow Gas Pool. The discovery well is the Pogo Producing Company Allison Federal Com Well No. 1 located in Unit H of Section 7, Township 24 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 35 EAST, NMPM

Section 7: E/2

- (e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East Cotton Draw-Delaware Pool. The discovery well is the Yates Petroleum Corporation Haracz AMO Federal Well No. 7 located in Unit F of Section 19, Township 24 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 19: NW/4

- (f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the Southeast Cotton Draw-Delaware Pool. The discovery well is the Santa Fe Energy Resources, Inc. Turquoise 30 Federal Well No. 1 located in Unit F of Section 30, Township 24 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 30: NW/4

- (g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the Southeast Denton-Devonian Pool. The discovery well is the Browning Oil Company, Inc. Knowles Well No. 1 located in Unit J of Section 1, Township 16 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM

Section 1: Lots 9, 10, 15, and 16

- (h) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Delaware production and designated as the East Diamondtail-Delaware Pool. The discovery well is the Yates Petroleum Corporation April APZ State Well No. 1 located in Unit A of Section 12, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 12: NE/4

- (i) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the North Diamondtail-Morrow Gas Pool. The discovery well is the Pogo Producing Company Red Tank 34 Federal Well No. 1 located in Unit B of Section 34, Township 22 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 34: N/2

- (j) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Hardin Tank-Wolfcamp Pool. The discovery well is the Enron Oil & Gas Company Jamaica Olsen Federal Well No. 1 located in Unit J of Section 35, Township 25 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 34 EAST, NMPM

Section 35: SE/4

- (k) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the East Hare-San Andres Pool. The discovery well is the Exxon Corporation New Mexico FO State Well No. 1 located in Unit O of Section 10, Township 21 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 10: SE/4

- (l) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Central Justis-Abo Pool. The discovery well is the Arch Petroleum, Inc. Learcy McBuffington Well No. 9 located in Unit K of Section 13, Township 25 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM

Section 13: SW/4

- (m) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Cisco production and designated as the Northeast Mescalero-Cisco Pool. The discovery well is the Manzano Oil Corporation Jordan State Well No. 1 located in Unit B of Section 12, Township 10 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM

Section 12: NE/4

- (n) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the West Midway-Upper Pennsylvanian Pool. The discovery well is the Primero Operating, Inc. Shoebar State Well No. 1 located in Unit N of Section 15, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 15: SW/4

- (o) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Mississippian production and designated as the Morton-Mississippian Gas Pool. The discovery well is the Yates Petroleum Corporation Morton Unit Well No. 1 located in Unit B of Section 5, Township 15 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 5: N/2

- (p) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the West Ojo Chiso-Morrow Gas Pool. The discovery well is the Santa Fe Energy Resources, Inc. Gaucho Unit Well No. 1 located in Unit G of Section 29, Township 22 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 29: N/2

- (q) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the North Pearl-San Andres Pool. The discovery well is the Chi Operating, Inc. Oyster Well No. 1 located in Unit N of Section 22, Township 19 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 22: SW/4

- (r) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Devonian production and designated as the South Sawyer-Devonian Pool. The discovery well is the Cobra Oil & Gas Corporation Bronco Farms 5 Federal Well No. 5 located in Unit B of Section 5, Township 10 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 38 EAST, NMPM

Section 5: NE/4

- (s) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Strawn production and designated as the Northeast Shoe Bar-Strawn Pool. The discovery well is the Chesapeake Operating, Inc. Chambers 7 Well No. 1 located in Unit H of Section 7, Township 16 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 7: NE/4

- (t) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Mid Teague-Abo Pool. The discovery well is the Arch Petroleum, Inc. C. E. Lamunyon Well No. 10 located in Unit L of Section 22, Township 23 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM

Section 22: SW/4

- (u) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the East Teas-Bone Spring Pool. The discovery well is the Read & Stevens, Inc. Unocal 8 Federal Well No. 1 located in Unit E of Section 8, Township 20 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 8: NW/4

- (v) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Atoka production and designated as the Tres Papalotes-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Papalotes Unit Well No. 1 located in Unit I of Section 34, Township 14 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 34: E/2

- (w) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Triste Draw-Bone Spring Pool. The discovery well is the Meridian Oil Inc. Diamondtail 34 Federal Well No. 3 located in Unit G of Section 34, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 34: NE/4

- (x) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the East Vacuum-Morrow Gas Pool. The discovery well is the Shell Western Exploration & Production, Inc. State Ridge B Well No. 1 located in Unit I of Section 30, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 30: E/2

- (y) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Grayburg production and designated as the South Young-Grayburg Pool. The discovery well is the Chevron USA Inc. Keel A Federal Well No. 2 located in Unit O of Section 33, Township 18 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 33: SE/4

- (z) ABOLISH the Teague-Paddock Pool in Lea County, New Mexico, in order to include the abolished acreage in the redesignated Teague-Paddock-Blinebry Pool.

- (aa) EXTEND the vertical limits of the Teague-Blinebry Pool in Lea County, New Mexico, to include the Paddock formation and redesignate said pool as the Teague-Paddock-Blinebry Pool.
- (bb) CONTRACT the Teague-Abo Gas Pool in Lea County, New Mexico, by the deletion of the following described area:
TOWNSHIP 23 SOUTH, RANGE 37 EAST, NMPM
Section 22: SW/4
- (cc) RECLASSIFY the East Warren-Tubb Gas Pool in Lea County, New Mexico, as an oil pool and redesignate said pool as the East Warren-Tubb Pool.
- (dd) EXTEND the North Allison-San Andres Pool in Roosevelt County, New Mexico, to include therein:
TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM
Section 17: SW/4
- (ee) EXTEND the East Bell Lake-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 34: NE/4
- (ff) EXTEND the Byers-Yates Gas Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM
Section 29: SW/4
- (gg) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 9: SE/4
- (hh) EXTEND the Crazy Horse-Delaware Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 24: NE/4
TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 18: SW/4
Section 19: NE/4
- (ii) EXTEND the South Crossroads-Devonian Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM
Section 3: SW/4
Section 4: SE/4
- (jj) EXTEND the Diamondtail-Bone Spring Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 12: N/2 and SW/4
Section 13: SW/4
Section 24: W/2
- (kk) EXTEND the Eunice-San Andres Pool in Lea County, New Mexico, to include therein:
TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 29: SW/4
Section 32: N/2
Section 33: W/2 NW/4

- (ll) EXTEND the Fowler-Fusselman Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH. RANGE 37 EAST. NMPM

Section 15: SE/4

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

TOWNSHIP 20 SOUTH. RANGE 33 EAST. NMPM

Section 30: N/2

- (nn) EXTEND the Johnson Ranch-Wolfcamp Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH. RANGE 33 EAST. NMPM

Section 15: N/2

- (oo) EXTEND the Mid Justis-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH. RANGE 37 EAST. NMPM

Section 24: E/2

Section 25: N/2

- (pp) EXTEND the Kemnitz-Upper Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH. RANGE 33 EAST. NMPM

Section 24: SE/4

TOWNSHIP 16 SOUTH. RANGE 34 EAST. NMPM

Section 18: S/2

Section 19: W/2

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

TOWNSHIP 20 SOUTH. RANGE 34 EAST. NMPM

Section 4: SW/4

- (rr) EXTEND the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH. RANGE 36 EAST. NMPM

Section 11: E/2 and SW/4

Section 12: SW/4

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

TOWNSHIP 16 SOUTH. RANGE 35 EAST. NMPM

Section 1: Lots 11, 12, 13, and 14

TOWNSHIP 16 SOUTH. RANGE 36 EAST. NMPM

Section 6: Lots 3, 4, 5, and 6

- (tt) EXTEND the West Lynch-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH. RANGE 34 EAST. NMPM

Section 29: SW/4

Section 30: W/2 and SE/4

- (uu) EXTEND the Maljamar-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH. RANGE 32 EAST. NMPM

Section 34: SE/4

- (vv) EXTEND the Monument-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH. RANGE 36 EAST. NMPM

Section 26: SW/4

Section 27: N/2

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

TOWNSHIP 19 SOUTH. RANGE 36 EAST. NMPM

Section 14: SE/4

- (xx) EXTEND the Monument-Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH. RANGE 37 EAST. NMPM

Section 16: N/2

- (yy) EXTEND the North Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH. RANGE 37 EAST. NMPM

Section 2: Lots 11, 12, 13, and 14

- (zz) EXTEND the Penrose Skelly-Grayburg Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH. RANGE 37 EAST. NMPM

Section 22: N/2

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

TOWNSHIP 23 SOUTH. RANGE 32 EAST. NMPM

Section 1: NW/4

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

TOWNSHIP 22 SOUTH. RANGE 33 EAST. NMPM

Section 31: SW/4

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

TOWNSHIP 22 SOUTH. RANGE 32 EAST. NMPM

Section 13: SW/4

Section 27: NW/4

Section 36: NE/4

- (ddd) EXTEND the Teague-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH. RANGE 37 EAST. NMPM

Section 28: NE/4

- (eee) EXTEND the Teague-Bliebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH. RANGE 37 EAST. NMPM

Section 35: SW/4

- (fff) EXTEND the Tonto-Seven Rivers Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH. RANGE 33 EAST. NMPM

Section 11: SE/4

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

TOWNSHIP 23 SOUTH. RANGE 32 EAST. NMPM
Section 34: SW/4

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

TOWNSHIP 23 SOUTH. RANGE 32 EAST. NMPM
Section 30: SW/4

(iii) EXTEND the North Vacuum-Atoka-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH. RANGE 35 EAST. NMPM
Section 19: N/2

(ijj) EXTEND the Vacuum-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH. RANGE 34 EAST. NMPM
Section 1: E/2

(kkk) EXTEND the Vest Ranch-Upper Pennsylvanian Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH. RANGE 30 EAST. NMPM
Section 16: W/2 SW/4
Section 21: NW/4

(lll) EXTEND the Warren-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH. RANGE 38 EAST. NMPM
Section 27: SW/4
Section 28: NE/4
Section 34: NW/4

(mmm) EXTEND the Weir-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH. RANGE 37 EAST. NMPM
Section 16: NW/4

(nnn) EXTEND the Young-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH. RANGE 32 EAST. NMPM
Section 8: SW/4

(ooo) EXTEND the South Young-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH. RANGE 32 EAST. NMPM
Section 32: SE/4

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

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 6, 1997
8:15 AM - 2040 South Pacheco
Santa Fe, New Mexico

Dockets Nos 6-97 and 7-97 are tentatively set for February 20, 1997 and March 6, 1997. 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 11714: Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the S/2, in all formations developed on 160-acre spacing underlying the SE/4, in all formations developed on 80-acre spacing underlying the S/2 SE/4, and in all formations developed on 40-acre spacing underlying the SW/4 SE/4 from the surface to the base of the Morrow formation in Section 3, Township 24 South, Range 33 East. Said unit is to be dedicated to its Quest "AQS" State Well No. 1 which will be drilled as a wildcat well at a standard location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 3. Also to be considered will be the costs 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles east of the intersection of Highway FAS 1271 with the Lea County/Eddy County line.

CASE 11269: (Reopened - Continued from December 19, 1997, Examiner Hearing.)

In the matter of Case No. 11269 being reopened pursuant to the provisions of Division Order No. R-10427, which order promulgated temporary special rules and regulations for the North Bell Lake-Ellenburger Gas Pool in Lea County, New Mexico. Operators in the subject pool may appear and show cause why said Temporary Special Rules and Regulations should not be rescinded.

CASE 11649: (Continued from January 9, 1997, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the N/2, in all formations developed on 160-acre spacing underlying the NE/4, in all formations developed on 80-acre spacing underlying the N/2 NE/4, and in all formations developed on 40-acre spacing underlying the NW/4 NE/4 from the surface to the base of the Morrow formation, Cemetery-Morrow Gas Pool, of Section 26, Township 19 South, Range 25 East. Said units are to be dedicated to its Morris 26B Well No.1 which will be drilled at a standard location 660 feet from the North line and 1650 feet from the East line (Unit B) of said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 4 ½ miles west of Lakewood, New Mexico.

CASE 11715: Application of Santa Fe Energy Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 29, Township 22 South, Range 34 East, 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, including the Undesignated Antelope Ridge-Atoka Gas Pool. Said unit is to be dedicated to its Gaucho Unit Well No. 2, to be drilled at an orthodox gas well location. Also to be considered will be the costs 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 16 miles southwest of Eunice, New Mexico.

CASE 11684: (Continued from January 23, 1997, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 4, Township 18 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 gas spacing within said vertical extent, which presently may include but is not necessarily limited to the South Empire-Morrow Gas Pool, the North Empire-Atoka Gas Pool, and the South Empire-Wolfcamp Gas Pool, and forming a standard 160-acre gas spacing and proration unit underlying the NE/4 of said Section 4 for any and all formations/pools developed on 160-acre gas spacing, and forming a 40-acre spacing unit underlying the SE/4 NE/4 of said Section 4 for any and all formations and/or pools spaced on 40-acre spacing. Said unit is to be dedicated to its Hummer "4" State Com Well No. 1 to be drilled and completed at a standard well location in Unit H of said Section 4. Also to be considered will be the costs 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 the operator of the well and a charge for risk involved in said well. Said unit is located approximately 14 miles southeast of Artesia, New Mexico.

CASE 11698: (Readvertised)

Application of Mallon Oil Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Brushy Canyon Member of the Delaware Mountain Group underlying the SE/4 NE/4 of Section 28, Township 26 South, Range 29 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, including but not limited to the Brushy Draw-Delaware Pool. Said unit will be dedicated to its Pecos River 28 Well No. 1. 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 15 ½ miles south-southeast of Malaga, New Mexico.

CASE 11716: **Application of Amerind Oil Company, Ltd. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lots 8 and 9 of Irregular Section 2, Township 16 South, Range 35 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent, which presently may include but is not necessarily limited to the West Lovington-Strawn Pool. Said unit is to be dedicated to its State "AY" Com Well No. 1 to be drilled and completed at a standard well location in Lot 9 of said Section 2. Also to be considered will be the costs 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 ½ miles west of Lovington, New Mexico.

CASE 11717: **Application of Amerind Oil Company, Ltd. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying Lots 7 and 10 of Irregular Section 2, Township 16 South, Range 35 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent, which presently may include but is not necessarily limited to the West Lovington-Strawn Pool. Said unit is to be dedicated to its State "AY" Com Well No. 2 to be drilled and completed at a standard well location in Lot 10 of said Section 2. Also to be considered will be the costs 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3 ½ miles west of Lovington, New Mexico.

CASE 11678: (Reopened)

Application of Burlington Resources Oil & Gas Company for compulsory pooling and unorthodox location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Rhodes-Yates Seven Rivers Gas Pool underlying the SW/4 of Section 23, Township 26 South, Range 37 East, forming a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within said vertical extent, including but not limited to the Rhodes-Yates Seven Rivers Gas Pool. Said unit is to be dedicated to Burlington Resources Oil & Gas Company's Rhodes "23" Federal Com Well No. 1 which is to be drilled at an unorthodox location 660 feet from the South line and 1100 feet from the West line (Unit M) of Section 23. Also to be considered will be the costs of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling and completing said well. Said well is located approximately 5 miles south-southwest of Jal, New Mexico.

CASE 11656: (Reopened)

Application of Texaco Exploration and Production, Inc. for compulsory pooling, a high angle/horizontal directional drilling pilot project, unorthodox location and special operating rules therefor, Lea County, New Mexico. Applicant seeks to establish a high angle/horizontal directional drilling pilot project in the Rhodes-Yates Seven Rivers Gas Pool within a standard 160-acre gas spacing and proration unit comprising the SW/4 of Section 23, Township 26 South, Range 37 East, whereby the extent of the wellbore for its proposed Rhodes "23" Federal Com Well No. 1, located at an unorthodox surface location 660 feet from the South line and 1100 feet from the West line (Unit M), is to be limited to a target window no closer than 660 feet to any boundary of the project area/proration unit. Further, the applicant seeks an order pooling all mineral interests within the Rhodes-Yates Seven Rivers Gas Pool underlying the aforementioned 160-acre project area/proration unit. Also to be considered will be the cost of drilling and completing the Rhodes "23" Federal Com Well No. 1 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 south-southwest of Jal, New Mexico.

CASE 11201: (Reopened)

In the matter of Case No. 11201 being reopened pursuant to the provisions of Division Order No. R-10313, which order promulgated temporary special rules and regulations and assigned a special depth bracket oil allowable for the South Midway-Strawn Pool in Lea County, New Mexico. Operators in the subject pool may appear and show cause why the rules should not be rescinded.

CASE 11089 (Reopened)

In the matter of Case No. 11089 being reopened pursuant to the provisions of Division Order No. R-46-A, which order promulgated Temporary Special Pool Rules and Regulations for the Parker Dome-Akah/Upper Barker Creek, Barker Dome-Desert Creek and Barker Dome-Ismay Pools in San Juan, County, New Mexico. Operators should appear and show cause why the rules should not be rescinded.

CASE 11718: Application of Wiser Oil Company for an expansion of its waterflood project, Eddy County, New Mexico. Applicant seeks to expand its Skelly Unit Waterflood Project and inject water into 62 additional wells: 9 wells in Section 14, 11 wells in Section 15, 10 wells in Section 21, 7 wells in Section 22, 10 wells in Section 23, 1 well in Section 26, 4 wells in Section 27, and 10 wells in Section 28, all within Township 17 South, Range 31 East, to provide additional injection service for the existing Skelly Unit Waterflood approved by Order No. R-3214. The zones to be injected into are the Vacuum-Grayburg and San Andres at an average TD of 3900' with a maximum injection rate of 250 BWPd/well at a maximum pressure of 2600 psi. Said project is located approximately 7 miles east of Loco Hills, New Mexico.

CASE 11703: (Continued from January 23, 1997, Examiner Hearing.)

Application of Parker & Parsley Development, L. P. for statutory unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing a water injection project, all mineral interests in the West Lusk-Delaware Pool underlying its proposed Lusk West (Delaware) Unit Area encompassing some 1520 acres, more or less, of Federal lands comprising all of Sections 20 and 21 and NW/4, N/2 SW/4 of Section 21, all in Township 19 South, Range 32 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 13 miles southeast of Loco Hills, New Mexico.

CASE 11704: (Readvertised)

Application of Parker & Parsley Development, L. P. for a water injection project for secondary recovery of hydrocarbons and for qualification for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a water injection project in the West Lusk-Delaware Pool within its proposed Lusk West (Delaware) Unit Area (being the subject of Case No. 11703) located in Township 19 South, Range 32 East, by the injection of produced water through perforated intervals into the West Lusk-Delaware Pool. Applicant also seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 13 miles southeast of Loco Hills, New Mexico.

CASE 11602: (Continued from January 23, 1997, Examiner Hearing.)

Application of Bass Enterprises Production Company for approval of the expansion of the Atoka Participating Area in the James Ranch Unit, Eddy County, New Mexico. Applicant seeks approval of the third expansion of the participating area for the Atoka formation in the James Ranch Unit Area including 1,683.13 acres, more or less, located in portions of Sections 35 and 36 of Township 22 South, Range 30 East, and portions of Sections 5, 6, 8, and 17 of Township 23 South, Range 31 East. Said unit is located approximately 15 miles east of Carlsbad, New Mexico.

CASE 11603: (Continued from January 23, 1997, Examiner Hearing.)

Application of Bass Enterprises Production Company for approval of the expansion of the Atoka Participating Area in the James Ranch Unit, Eddy County, New Mexico. Applicant seeks approval of the fourth expansion of the participating area for the Atoka formation in the James Ranch Unit Area including 238.54 acres, more or less, located in portions of Section 12, Township 22 South, Range 30 East, and portions of Section 7, Township 22 South, Range 31 East. Said unit is located approximately 15 miles east of Carlsbad, New Mexico.

CASE 11719: In the matter of the hearing called by the Oil Conservation Division upon its own motion for an order extending certain existing pools in Rio Arriba and San Juan Counties, New Mexico.

- (a) EXTEND the Barker Dome-Desert Creek Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 32 NORTH, RANGE 14 WEST, NMPM

Section 30: E/2

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

TOWNSHIP 23 NORTH, RANGE 11 WEST, NMPM

Section 11: E/2 NE/4

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

TOWNSHIP 29 NORTH, RANGE 4 WEST, NMPM

Section 4: All

Section 5: N/2

Section 9: All

Section 16: All

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM

Section 28: All

Sections 32 and 33: All

- (d) 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 4: W/2

Section 5: E/2

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

TOWNSHIP 32 NORTH, RANGE 4 WEST, NMPM

Section 23: NW/4

- (f) EXTEND the Ensenada-Gallup Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 20: SW/4

Section 26: W/2

Section 27: SE/4 and N/2

Section 28: N/2

Section 29: All

Section 34: SE/4

Sections 35 and 36: All

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

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 1: S/2

Section 2: S/2

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

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 7: E/2

Section 8: W/2

- (i) EXTEND the La Jara-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 7 WEST, NMPM

Section 10: NW/4

- (j) EXTEND the Otero-Chacra Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 29 NORTH, RANGE 9 WEST, NMPM

Section 30: N/2

TOWNSHIP 29 NORTH, RANGE 10 WEST, NMPM

Section 25: N/2

- (k) EXTEND the WAW-Fruitland Sand-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 12 WEST, NMPM

Section 5: W/2

Section 6: All

Section 7: NE/4

Section 8: NW/4

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM

Section 31: S/2 and NW/4

Section 32: SW/4

TOWNSHIP 27 NORTH, RANGE 13 WEST, NMPM

Section 13: SW/4

Section 14: S/2

Section 15: S/2

Section 16: S/2

Section 21: NE/4

Section 22: N/2

Section 23: All

Section 24: W/2

Section 25: N/2 and SW/4

Section 26: N/2 and SE/4

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