

Examiner Hearing – November 2, 2000
Docket No. 31-00
Page 4 of 5

Acreage Adjacent to Unit

Township 21 South, Range 34 East

Section 26: NW/4, S/2

Section 27: All

Section 28: All

Section 29: E/2, SW/4

Section 32: All

Section 35: All

Township 22 South, Range 34 East

Section 2: All

Section 5: All

Section 8: N/2, SE/4

Section 9: All

Section 11: All

Section 14: N/2, SW/4

Section 15: All

Section 16: N/2, SE/4

The application requests the Division establish rules requiring operators of all newly drilled or recompleted wells in the Morrow formation to provide the operator of the Unit with information and data obtained during drilling, completion, and production to determine whether such wells are in communication with the unitized formation or would otherwise interfere with Unit operations. The special project rules would also include provisions requiring the operators of wells determined to be in communication with the Unitized Interval to demonstrate how such well may be produced without interfering with Unit operations or to take such other action determined to be appropriate. The Grama Ridge Morrow Gas Storage Unit is approximately 18 miles west of Eunice, New Mexico.

CASE 12527: Application of LG&E Natural Pipeline LLC Pursuant To The New Mexico Underground Storage of Natural Gas Act, Lea County, New Mexico. Applicant seeks an order from the Division making certain findings pursuant to Section 70-6-5 of the New Mexico Underground Storage of Natural Gas Act (NMSA 1978 Sections 70-6-1, *et seq.*) preparatory to the condemnation of certain property interests in the Morrow Formation underlying the E/2 of Section 33, Township 21 South, Range 34 East, NMPM in Lea County. Applicant seeks to condemn such interests for use in connection with gas storage, injection and withdrawal operations for its Grama Ridge Morrow Gas Storage Unit. The Unit and the subject lands are located approximately 18 miles west of Eunice, New Mexico.

CASE 12502: Continued from October 19, 2000, Examiner Hearing.

In the matter of the hearing called by the New Mexico Oil Conservation Division on its own motion to amend Division Order No. R-5878, as amended. The Division seeks to further amend its "*Special Rules for Applications for Wellhead Price Ceiling Category Determinations*", as promulgated by Division Order No. R-5878, as amended, as necessary in order to comply with the Federal Energy Regulatory Commission's Order No. 616, which reinstates wellhead determination procedures for Section 107 gas that qualifies for a federal tax credit under Section 29 of the Internal Revenue Code.

CASE 12528: Application of the Oil Conservation Division for an order requiring Lonnie J. Buck to properly plug two wells, Lea County, New Mexico. Applicant seeks an order requiring Lonnie J. Buck to appear and show cause why two (2) wells located in Section 25, Township 25 South, Range 36 East, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug these wells, the Division seeks an order (i) requiring operator to properly plug these wells; (ii) authorizing the Division to plug these wells; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. *In The Absence of Objection, This Case Will be Taken Under Advisement.*

CASE 12529: Application of the Oil Conservation Division for an order requiring BC Development to properly plug one well, Lea County, New Mexico. Applicant seeks an order requiring BC Development to appear and show cause why one (1) well located in Section 30, Township 11 South, Range 33 East, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug this well, the Division seeks an order (i) requiring operator to properly plug this well; (ii) authorizing the Division to plug this well; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. *In The Absence of Objection, This Case Will be Taken Under Advisement.*

CASE 12530: Application of the Oil Conservation Division for an order requiring Poe Properties, Inc. to properly plug one well, Roosevelt County, New Mexico. Applicant seeks an order requiring Poe Properties, Inc. to appear and show cause why one (1) well located in Section 29, Township 4 South, Range 33 East, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug this well, the Division seeks an order (i) requiring operator to properly plug this well; (ii) authorizing the Division to plug this well; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. *In The Absence of Objection, This Case Will be Taken Under Advisement.*