

CASE 13493: Continued from June 16, 2005, Examiner Hearing

Application of Chesapeake Permian, L.P. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Irregular Section 4, Township 21 South, Range 35 East, forming a standard 320-acre gas spacing and proration unit for any production from any and all formations/pools developed on 320-acre gas spacing within that vertical extent, including but not limited to the South Osudo Morrow Pool. This unit is to be dedicated to its KF 4 State Well No. 1 (API #30-025-37129) that is being drilled at a standard well location in Unit X of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Chesapeake Operating, Inc. as the operator of the well and, pursuant to Commission Order R-11992, a risk charge of 200% for the risk involved in this well. This unit is located approximately 6 miles west from Oil Center, New Mexico.

CASE 13494: Continued from June 16, 2005, Examiner Hearing

Application of Texland Petroleum, L.P. for a Compliance Order against Latigo Petroleum, Inc. voiding of Administrative Order DHC-3086, compulsory pooling, change of operator and other relief, Lea County, New Mexico. Applicant seeks a Compliance Order, including fines, against Latigo Petroleum, Inc. ("Latigo") including an order to void and revoke Administrative Order DHC-3086, and to require Latigo to immediately shut-in its Conoco State Well No. 3 (API No. 30-025-35961) located in Unit J of Section 33, Township 18 South, Range 38 East, until such time as: (i) a standard 160-acre gas spacing unit consisting of the SE/4 of this section, is dedicated to this well in the Tubb formation, Hobbs-Tubb Gas Pool, (ii) the production proceeds from this well in the Tubb and Drinkard formations are reallocated and paid to the owners in these spacing units from the date of first production, and (iii) paid the fines for violations of the Oil and Gas Act. Section 70-2-31 NMSA 1978. Further, applicant seeks a compulsory pooling order including provisions for designation of the applicant as the operator and the removal of Latigo as the operator. The well is located approximately 7 miles West of Hobbs, New Mexico.

CASE 13153: Continued from June 16, 2005, Examiner Hearing

Application of Yates Petroleum Corporation to re-open Case No. 13153 to permit Yates to withdraw its election to participate in further operations on the State "X" Well No. 1 and hereafter be a "non-consenting working interest owner" in the well and, pursuant to the provisions of Order No. R-12108-C, to determine the reasonableness of the actual well costs to be refunded by Pride Energy Company to Yates Petroleum Corporation pursuant to this order, Lea County, New Mexico. Applicant seeks an order (1) authorizing Yates to withdraw its election to participate in further operations by Pride Energy Corporation to re-enter the State "X" Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, and (2) determining the reasonableness of the actual well costs that Yates is entitled to recover from Pride Energy Company pursuant to the provisions of Order No. R-12108-C. Said unit is located approximately 12 miles west northwest of Tatum, New Mexico.

CASE 13518: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Lea and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Devonian production and designated as the North Antelope Ridge-Devonian Gas Pool (Pool Code 97436). The discovery well is the Devon Energy Production Company LP. Mad Dog 15 Federal Com. Well No. 1 (API No. 30-025-36778) located in Unit P of Section 15, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 15: E/2

(b) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the Southwest Austin-Atoka Gas Pool (Pool Code 97422). The discovery well is the Chesapeake Operating Inc. William 14 Federal Well No. 1 (API No. 30-025-36514) located in Unit E of Section 14, Township 15 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 14: W/2

(c) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the East Bagley-Morrow Gas Pool (Pool Code 97424). The discovery well is the Yates Petroleum Corporation Lacy J State Unit Well No. 2 (API No. 30-025-36790) located in Unit P of Section 6, Township 12 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

Section 32: W/2

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM

Section 5: NW/4

Section 6: NE/4 and S/2

(d) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Strawn production and designated as the Southeast Caudill-Strawn Pool (Pool Code 97427). The discovery well is the David H. Arrington Oil & Gas Royal Stimulator Well No. 2 (API No. 30-025-35975) completed in Unit L of Section 31, Township 15 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 36 EAST, NMPM

Section 31: SW/4

(e) CREATE a new pool in Roosevelt County, New Mexico classified as a gas pool for Lower Pennsylvanian production and designated as the North Chaveroo-Lower Pennsylvanian Gas Pool (Pool Code 97445). The discovery well is the Manzano Oil Corporation Brennan Federal Com. Well No. 1 (API No. 30-041-20911) located in Unit I of Section 33, Township 6 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM

Section 33: E/2

(f) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Upper Pennsylvanian production and designated as the Northwest Eidson-Upper Pennsylvanian Pool (Pool Code 97425). The discovery well is the Yates Petroleum Corporation Otis State Unit Well No. 2 (API No. 30-025-36714) located in Unit L of Section 19, Township 15 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM

Section 19: SW/4

(g) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Mississippian production and designated as the Northwest Eight Mile Draw-Mississippian Gas Pool (Pool Code 97389). The discovery well is the Yates Petroleum Corporation Oakridge State Unit Well No. 1 (API No. 30-025-36672) located in Unit B of Section 17, Township 11 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

Section 17: N/2

(h) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Woodford production and designated as the Gladiola-Woodford Pool (Pool Code 97446). The discovery well is the Platinum Exploration Inc. Angel Well No. 2 (API No. 30-025-07136) located in Unit N of Section 5, Township 12 South, Range 38 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM

Section 5: SW/4

(i) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Atoka production and designated as the North Hightower-Atoka Pool (Pool Code 97431). The discovery well is the J.P.H. Oil Producers State B AC-1 Well No. 2 (API No. 30-025-01057) located in Unit B of Section 11, Township 12 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM

Section 11: NE/4

(j) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production and designated as the North Hightower-Wolfcamp Pool (Pool Code 97432). The discovery well is the J.P.H. Oil Producers State J Well No. 1 (API No. 30-025-01024) located in Unit D of Section 1, Township 12 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 33 EAST, NMPM
Section 1: NW/4

(k) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Queen production and designated as the Northwest Reeves-Queen Pool (Pool Code 97430). The discovery well is the Mack Energy Corporation B Lee State Well No. 5 (API No. 30-025-03096) located in Unit M of Section 7, Township 18 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 7: SW/4

(l) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Devonian production and designated as the Southeast Shoe Bar-Devonian Pool (Pool Code 97438). The discovery well is the Texland Petroleum-Hobbs LLC. OPL 4 State Well No. 1 (API No. 30-025-36987) located in Unit P of Section 4, Township 17 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM
Section 4: SE/4

(m) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the East Townsend-Morrow Gas Pool (Pool Code 97423). The discovery well is the Stanolind Operating Corporation Berry Hobbs Unit 17 Well No. 1 (API No. 30-025-36657) located in Unit J of Section 17, Township 16 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 17: E/2

(n) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production and designated as the North Wilson-Wolfcamp Pool (Pool Code 97449). The discovery well is the Nearburg Producing Company Simms 35 State Well No. 3 (API No. 30-025-35510) located in Unit N of Section 35, Township 20 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM
Section 35: SW/4

(o) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Mississippian production and designated as the West X-4 Ranch-Mississippian Gas Pool (Pool Code 97437). The discovery well is the Yates Petroleum Corporation Penroc BEP State Well No. 1 (API No. 30-025-31046) located in Unit C of Section 5, Township 10 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 5: W/2

(p) EXTEND the Mid Bell Lake-Morrow Gas Pool (Pool Code 72000) in Lea County, New Mexico to include:
TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 30: N/2

(q) EXTEND the Blinebry Oil and Gas Pool (Pool Code Oil – 06660, Gas – 72480) in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 7: SW/4

(r) EXTEND the South Corbin-Bone Spring Pool (Pool Code 13160) in Lea County, New Mexico to include:
TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 16: SW/4

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- (s) EXTEND the Central Corbin-Queen Pool (Pool Code 13285) in Lea County, New Mexico to include:
TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 10: SE/4
- (t) EXTEND the Northwest Eight Mile Draw-Atoka Gas Pool (Pool Code 97028) in Lea County, New Mexico to include:
TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 17: SE/4 and N/2
- (u) EXTEND the EK-Delaware Pool (Pool Code 21655) in Lea County, New Mexico to include:
TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 25: SW/4
- (v) EXTEND the Eumont-Yates-Seven Rivers-Queen Gas Pool (Pool Code Oil – 22800, Gas – 76480) in Lea County, New Mexico to include:
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 3: SW/4
- (w) EXTEND the Feather-Wolfcamp Pool (Pool Code 24210) in Lea County, New Mexico to include:
TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 29: NE/4
- (x) EXTEND the South Four Lakes-Austin Gas Pool (Pool Code 97164) in Lea County, New Mexico to include:
TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM
Section 13: W/2 and SE/4
Section 14: N/2
Section 24: NE/4
- (y) EXTEND the Garrett-Drinkard Pool (Pool Code 27130) in Lea County, New Mexico to include:
TOWNSHIP 16 SOUTH, RANGE 38 EAST, NMPM
Section 29: NW/4
Section 30: N/2
- (z) EXTEND the Gem-Morrow Gas Pool (Pool Code 77370) in Lea County, New Mexico to include:
TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 17: S/2
- (aa) EXTEND the Hat Mesa-Morrow Gas Pool (Pool Code 78240) in Lea County, New Mexico to include:
TOWNSHIP 21 SOUTH, RANGE 33 EAST, NMPM
Section 5: Lots 9 through 16
- (bb) EXTEND the Southwest Jabalina-Atoka Gas Pool (Pool Code 79123) in Lea County, New Mexico to include:
TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM
Section 19: NW/4
- (cc) EXTEND the Southwest Jabalina-Strawn Gas Pool (Pool Code 97332) in Lea County, New Mexico to include:
TOWNSHIP 26 SOUTH, RANGE 34 EAST, NMPM
Section 25: SE/4
- TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM
Section 19: W/2
Section 30: W/2

- (dd) EXTEND the South Kemnitz-Atoka-Morrow Gas Pool (Pool Code 79420) in Lea County, New Mexico to include:
TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 18: NW/4
- (ee) EXTEND the East Livingston Ridge-Delaware Pool (Pool Code 39366) in Lea County, New Mexico to include:
TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 17: NW/4
- (ff) EXTEND the Lost Tank-Delaware Pool (Pool Code 40299) in Lea County, New Mexico to include:
TOWNSHIP 21 SOUTH, RANGE 32 EAST, NMPM
Section 17: S/2
- (gg) EXTEND the East Lusk-Morrow Gas Pool (Pool Code 80770) in Lea County, New Mexico to include:
TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 23: SE/4
Section 34: SW/4
- (hh) EXTEND the North Lusk-Wolfcamp Pool (Pool Code 41608) in Lea County, New Mexico to include:
TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 31: NE/4
Section 32: N/2
- (ii) EXTEND the North Mescalero-Cisco Pool (Pool Code 45750) in Lea County, New Mexico to include:
TOWNSHIP 10 SOUTH, RANGE 32 EAST, NMPM
Section 1: SW/4
- (ij) EXTEND the Southeast Monument-Abo Pool (Pool Code 96764) in Lea County, New Mexico to include:
TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 8: SW/4
- (kk) EXTEND the Nadine-Drinkard-Abo Pool (Pool Code 47510) in Lea County, New Mexico to include:
TOWNSHIP 19 SOUTH, RANGE 39 EAST, NMPM
Section 19: SW/4
- (li) EXTEND the West Nadine-Paddock-Blinebry Pool (Pool Code 47400) in Lea County, New Mexico to include:
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 17: SE/4
- (mm) EXTEND the West Nadine-Tubb Pool (Pool Code 47530) in Lea County, New Mexico to include:
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 17: SE/4
- (nn) EXTEND the South Osudo-Morrow Gas Pool (Pool Code 82200) in Lea County, New Mexico to include:
TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM
Section 9: N/2
- (oo) EXTEND the North Ranger Lake-Atoka Gas Pool (Pool Code 97349) in Lea County, New Mexico to include:
TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM
Section 12: E/2

TOWNSHIP 12 SOUTH, RANGE 35 EAST, NMPM
Section 6: N/2 and SW/4
Section 7: NW/4

- (pp) EXTEND the South Ranger Lake-Austin Gas Pool (Pool Code 97231) in Lea County, New Mexico to include:
TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 1: N/2

TOWNSHIP 13 SOUTH, RANGE 35 EAST, NMPM
Section 6: N/2
- (qq) EXTEND the East Red Tank-Atoka Gas Pool (Pool Code 83680) in Lea County, New Mexico to include:
TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 24: N/2 and SW/4
- (rr) EXTEND the Sand Springs-Atoka-Morrow Gas Pool (Pool Code 84871) in Lea County, New Mexico to include:
TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 34: W/2

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM
Section 8: NE/4
Section 9: N/2
- (ss) EXTEND the Shoe Bar-Atoka Gas Pool (Pool Code 85210) in Lea County, New Mexico to include:
TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 25: SW/4
Section 26: SE/4
Section 36: W/2
- (tt) EXTEND the Skaggs-Drinkard Pool (Pool Code 57000) in Lea County, New Mexico to include:
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 17: SE/4
- (uu) EXTEND the Northwest Skaggs-Glorieta Pool (Pool Code 97203) in Lea County, New Mexico to include:
TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 2: NW/4
- (vv) EXTEND the East Triste Draw-Atoka Gas Pool (Pool Code 86430) in Lea County, New Mexico to include:
TOWNSHIP 24 SOUTH, RANGE 33 EAST, NMPM
Section 17: S/2
- (ww) EXTEND the Vacuum-Grayburg-San Andres Pool (Pool Code 62180) in Lea County, New Mexico to include:
TOWNSHIP 17 SOUTH, RANGE 33 EAST, NMPM
Section 35: SE/4

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM
Section 9: E/2
- (xx) EXTEND the X-4 Ranch-Atoka Gas Pool (Pool Code 97090) in Lea County, New Mexico to include:
TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 4: E/2
Section 15: N/2 and SW/4
Section 22: W/2
- (yy) EXTEND the West X-4 Ranch-Morrow Gas Pool (Pool Code 97382) in Lea County, New Mexico to include:
TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM
Section 5: W/2
Section 8: W/2

(zz) EXTEND the Young-Queen Pool (Pool Code 65360) in Lea County, New Mexico to include:
TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 8: NW/4

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