

## **NOTICE OF HEARING**

### **STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO**

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **February 1, 2007**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis Drive, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **January 21, 2007**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

#### **STATE OF NEW MEXICO TO:**

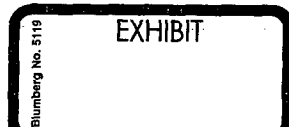
**All named parties and persons  
having any right, title, interest  
or claim in the following cases  
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

**CASE NO. 13865:** *Application of Versado Gas Processors, LLC operated by Targa Resources, LLC for approval of an acid gas injection well, Lea County, New Mexico.* Applicant seeks an order to utilize its proposed Versado AGI Well No. 1, to be drilled 1200 feet from the West line and 2580 feet from the South line of Section 27, Township 22 South, Range 37 East, NMPM, to inject up to 2500 barrels of acid gas per day, at a maximum pressure of 2000 psi, into the San Andres Formation, at an approximate depth of 4500 feet to 5000 feet. This proposed well will replace Eunice Gas Plant SWD Well No. 1 (API No. 30-025-21497) at this location. Versado may be contacted through its representative, Mr. Alberto Gutierrez, 500 Marquette Ave NW, Suite 1350, Albuquerque, New Mexico 87102 or (505) 842-8000. This well is located approximately 5 miles south of Eunice, New Mexico.

**CASE NO. 13866:** *Application of BEPCO, L.P. for an exception to Division Order No. R-111-P, Eddy County, New Mexico.* Applicant seeks an order granting an exception to Division Order No. R-111-P so that it is not required to cement production strings to the surface on wells drilled to the Delaware and Bone Spring formations on state and fee lands covering all of Sections 24, 25, and 36, Township 23 South, Range 29 East, NMPM, and the W/2 of Section 19, W/2 of Section 30, and NW/4 and W/2 SW/4 of Section 31, Township 23 South, Range 30 East, NMPM. This area is centered approximately 9-1/2 miles east of Loving, New Mexico.

**CASE NO. 13867:** *Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the NE/4 SW/4 of Section 20, Township 21 South, Range 26 East, NMPM, to form a standard 40-acre gas spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the ARCO 20 Fed. Well No. 2, drilled at an



unorthodox oil well location in the NE/4 SW/4 of Section 20. Also to be considered will be the cost of drilling and completing the 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 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles west-northwest of Carlsbad, New Mexico.

**CASE NO. 13868:** *Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Delaware formation underlying the SE/4 SW/4 of Section 20, Township 21 South, Range 26 East, NMPM, to form a standard 40-acre gas spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the ARCO 20 Fed. Well No. 2, drilled at an unorthodox oil well location in the SE/4 SW/4 of Section 20. Also to be considered will be the cost of drilling and completing the 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 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles west-northwest of Carlsbad, New Mexico.

**CASE NO. 13869:** *Application of Devon Energy Production Company, L.P. for lease commingling, Eddy County, New Mexico.* Devon Energy Production Company, L.P. seeks an exception to Rule 19.15.5.303A NMAC to authorize the surface commingling of production from the Ingle Wells-Delaware Pool originating from its wells located on Federal Oil and Gas Leases NM 0418220-A and NM 0405444-A, which collectively comprise all of Section 26, Township 23 South, Range 31 East, N.M.P.M.. Applicant also seeks an exception to the metering requirements of Rule 19.15.5.303B(4)(a) NMAC to authorize the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the Todd "26" Tank Battery, located in the SW/4 NE/4 of Section 26. The leases and wells are located approximately 20-1/2 miles East of Loving, New Mexico.

**CASE NO. 13870:** *Application of Quest Cherokee, LLC for approval of an application for permit to drill, Lea County, New Mexico.* Applicant seeks approval of an application for permit to drill its State 9-4 Well No. 1 in the NW/4 of Section 9, Township 18 South, Range 38 East, NMPM. The proposed well is located approximately 5 miles north-northwest of Hobbs, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 3rd day of January, 2007.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

Mark E. Fesmire, P. E.  
Division Director

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