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2. <u>CASE 14413</u>: (Continued from the February 4, 2010 Examiner Hearing.)

Application of the New Mexico Oil Conservation Division for a Compliance Order against BTA Oil Producers LLC. The application affects the salt water disposal facility associated with the Pardue C 8808 JVP #001, 30- 015-26341, located in Unit "A," Section 11, Township 23 South, Range 28 East in Eddy County, New Mexico. The facility is located less than five miles Northeast of Loving, New Mexico on the Pecos River. The Applicant seeks an order finding the operator in violation of Order No. R-9147-C, 19.15.26.10.B NMAC, 19.15.34 NMAC, 19.15.17 NMAC and 19.15.29 NMAC; requiring the operator to submit a delineation report and complete remediation by dates certain; if operator fails to meet those deadlines ordering the operator to plug and abandon the well and remediate the site by a date certain and authorizing the Division to plug the well, remediate the site and forfeit the applicable financial assurance if the operator fails

to meet that deadline; and holding the operator in violation of 19.15.5.9 NMAC or issue an equivalent order, to be kept in place until the operator completes the required corrective action or reimburses the Division for its costs in excess of the

3. <u>CASE 14393 (Reopened)</u>: Application of the New Mexico Oil Conservation Division for a compliance order against Marks & Garner Production Limited Company, Eddy County, New Mexico. Pursuant to the provisions of Division Order No. R-13197, Case 14393 is being reopened to determine the status of Marks & Garner's compliance with the terms of said order. At that time, Division examiners will receive evidence regarding the status of Marks and Garner's compliance with the terms and deadlines set by Order No. R-13197.

forfeited financial assurance to complete the required corrective action.

- 4. <u>CASE 14423 (Readvertised)</u>: Amended Application of COG Operating LLC for Expansion of Pool Boundaries, Eddy County, New Mexico. Applicant seeks an order providing for the expansion of the Crow Flats Wolfcamp oil pool (97102), Abo/Wolfcamp formation, to include the S/2 NE/4 of Section 22 T16S R28E NMPM, Eddy County, New Mexico. Applicant is the operator of the horizontally drilled Comet 22 Federal Well No. 3 (API No. 30-015-35821) within a special project area comprised of the S/2 N/2 of Section 22. The well and lands are located approximately six miles Northwest of Loco Hills, New Mexico.
- 5. <u>CASE 14430</u>: Application of XTO Energy, Inc. to expand the horizontal limits of the Ute Dome-Paradox Gas Pool to include all of Section 27, T32N R14W and the concomitant contraction of the Barker Dome-Paradox Pool, the Barker Dome-Akah/Upper Barker Creek Pool, the Barker Dome-Desert Creek Pool and the Barker Dome-Ismay Pool, San Juan County, New Mexico. This section is located within the Ute Mountain Ute Reservation approximately 6 miles Northwest of LaPata, New Mexico.
- 6. <u>CASE 14431</u>: Application of Range Operating New Mexico, Inc. to amend Division order R-12344 and to authorize the expansion of this centralized facility with additional acreage and wells including common tank batteries, surface commingling, off-lease measurement and storage for its SCB3B Battery and Sales Point Project, Eddy County, New Mexico. Applicant seeks to amend Order R-12344 for its SCB 3B Battery and Sales Point located in Unit G of Section 23, T23S, R28E for a project area and wells within parts of Section 13, 14, 23 and 24 of this township. This facility is located approximately 2.5 miles Northeast of Loving, New Mexico.
- 7. <u>CASE 14432</u>: Application of Range Operating New Mexico, Inc. for a centralized facility with an off-lease measurement, storage and sales point including surface commingling, Eddy County, New Mexico. Applicant, seeks an order granting an exception to Rules 19.15.12.10.C NMAC and 19.15.23.9 NMAC, for its SCB 5B Battery and Sales Point located in Unit L of Section 13, T23S, R28E for a project area and wells within parts of Section 11, 12, 13 and 14 of this township. The applicant further seeks the adoption of an administrative procedure for the expansion of this facility including the addition of other wells and production from other pools. This facility is located approximately 2.5 miles Northeast of Loving, New Mexico.
- 8. <u>CASE 14433</u>: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the top of the Bone Spring formation in all formations and pools in the NE/4 SW/4 of Section 17, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the pooled units to its Wyatt Draw "17" K Well No. 1. to be drilled as a wildcat oil well at a standard location 1650 feet from the South and West Lines (Unit K) of said Section 17. Also to be considered will be the cost of drilling and completing said well as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1.75 miles Northwest of Lakewood, New Mexico.
- 9. CASE 14434 Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. To: Ernest Koen, W. F. Robinson and Murray Batterson. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the top of the Bone Spring formation in all formations and pools in the SE/4 NW/4 of

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Section 18, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the pooled units to its Wyatt Draw "18" F Well No. 1. to be drilled as a wildcat oil well at a standard location 1650 feet from the North and West Lines (Unit F) of said Section 18. Also to be considered will be the cost of drilling and completing said well 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 well is located approximately 2.5 miles Northwest of Lakewood, New Mexico.

- 10. CASE 14435: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the top of the Bone Spring formation in all formations and pools in the NW/4 SW/4 of Section 24, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the pooled units to its Wyatt Draw "24" L Well No. 1. to be drilled as a wildcat oil well at a standard location 2310 feet from the South Line and 330 feet from the West Line (Unit L) of said Section 24. Also to be considered will be the cost of drilling and completing said well as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2.75 miles Northwest of Lakewood, New Mexico.
- 11. CASE 14436: Application of Mewbourne Oil 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 following described acreage in Section 29, Township 22 South, Range 26 East, NMPM, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Southeast Carlsbad-Wolfcamp Gas Pool, Undesignated East Hackberry Hills-Canyon Gas Pool, Undesignated South Happy Valley-Atoka Gas Pool, and Happy Valley-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Happy Valley-Delaware Pool and Undesignated Happy Valley-Wolfcamp Pool. The units are to be dedicated to the proposed Huckleberry Draw "29" Com. Well No. 1, to be drilled at an orthodox location in the NE/4 NE/4 of Section 29. 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 units are located approximately 6 miles Southwest of Carlsbad, New Mexico.
- 12. <u>CASE 14437</u>: Application of Chase Oil Corporation for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Chase Oil Corporation seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of the N/2 N/2 of Section 36, Township 16 South, Range 27 East, NMPM, and pooling all mineral interests in the Abo/Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Snowball State Com. Well No. 1, a horizontal well to be drilled at an orthodox surface location in the NE/4NE/4, with a terminus at an orthodox location in the NW/4 NW/4, of Section 36. 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 Mack Energy Corporation as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10 miles East-Northeast of Artesia, New Mexico.
- 13. CASE 14438: Application of Devon Energy Production Company, L.P. for pool creation, a discovery allowable, and special pool rules, Eddy County, New Mexico. Applicant seeks an order (a) creating a new pool for production of oil from the Bone Spring formation, to be named the Angell Ranch-Bone Spring Pool, comprising the NW/4 of Section 25, Township 19 South, Range 27 East, N.M.P.M., (b) granting applicant a discovery allowable, and (c) establishing special rules and regulations for the pool, including (i) spacing of 80 acres, (ii) wells to be located no closer than 330 feet to a quarter-quarter section line, and (iii) a gas:oil ratio of 10,000 cubic feet of gas for each barrel of oil produced. The discovery well for the pool is the Guardian 25 State Com. Well No. 1 (API No. 30-015-36577), which was drilled at a location 1980 feet from the north line and 1980 feet from the west line of Section 25. Applicant requests that the pool rules be made effective retroactive to the date of first Bone Spring production from the discovery well. The proposed pool is located approximately 7-1/2 miles East of Lakewood, New Mexico.
- 14. <u>CASE 14439</u>: Application of Cimarex Energy Co. of Colorado for an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks an order approving an unorthodox location in the Glorieta-Yeso formation (Loco Hills Glorieta-Yeso Pool) for its proposed Poseidon "3" Fed. Well No. 3, to be located 250 feet from the South line and 1330 feet from the West line of Section 3, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The SE/4 SW/4 of Section 3 will be dedicated to the well. The well unit is located approximately 3 miles North-Northeast of Loco Hills, New Mexico.