

DOCKET: EXAMINER HEARING - THURSDAY - MAY 4, 2000

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 13-00 and 14-00 are tentatively set for May 18 and June 1, 2000. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

NOTICE:

In the future, all drafts of advertisements for hearing applications must be submitted electronically. You can e-mail them to Sally Martinez at:

semartinez@emnrd.state.nm.us.

If you are unable to file electronically, please submit them on disk.

CASE 12389: Application of Dugan Production Corp. for amendment of surface commingling Division Order R-10655, San Juan County, New Mexico. Applicant seeks an exception to Division Rule 303.A and 309-A by amending Division Order No. R-10655, surface commingling of Basin-Dakota Prorated Gas Pool and Harper Hill Fruitland Sand-Pictured Cliffs Gas Pool production, to include the Com Well No. 4 located in Unit C, Section 2, Township 29 North, Range 14 West, the Federal I Well No. 99 located in Unit H, Section 3, Township 29 North, Range 14 West, and the Tabor Com Well No. 90 located in Unit H, Section 35, Township 30 North, Range 14 West, production from the Basin Fruitland-Coal Gas Pool and for off-lease measurement of the subject wells. The subject wells are approximately 2 miles northwest of Farmington, New Mexico. *IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.*

CASE 12390: Application of Trilogy Operating, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in accordance with Division Rule 1207.A(1)(b) seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 SE/4 of Section 1, Township 20 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools spaced on 40-acre spacing, including but not limited to the Undesignated House-San Andres Pool, House-Blinbry Pool, East Warren Tubb Oil and Gas Pool and Undesignated D-K-Abo Pool. This unit is to be dedicated to its Howser Well No. 1 which has been drilled but not completed at a standard well location in Unit J of this section. 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 this well. This unit is located approximately 2 miles south of Nadine, New Mexico. *IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.*

CASE 12391: Application of OXY USA, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in accordance with Division Rule 1207.A(1)(b), seeks an order pooling all mineral interests from the surface to the base of the Pennsylvanian formation underlying the following described acreage in Section 9, Township 25 South, Range 26 East, in the following manner: (a) all of Section 9 forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools spaced on 640-acre spacing, including but not limited to the White City-Pennsylvanian Gas Pool; (b) N/2 of Section 9 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools spaced on 320-acre spacing, including but not limited to the Chosa Draw-Morrow Gas Pool and the Sage Draw-Wolfcamp Gas Pool; (c) SE/4 NW/4 of Section 9 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools spaced on 40-acre spacing, including but not limited to the South Black River-Delaware Pool and the Southwest Sulfate-Delaware Pool. Said unit(s) is to be dedicated to its Esperanza Federal Well No. 1 to be drilled and completed at a standard well location in Unit F 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 applicant as the operator of the well and a charge for risk involved in this well. This well will be located approximately 4-1/2 miles southeast from Whites City, New Mexico. *IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.*

CASE 12377: Continued from April 20, 2000, Examiner Hearing.

Application of Concho 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 10, Township 17 South, Range 27 East, and in the following manner: (a) the S/2 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 this vertical extent which presently includes the Undesignated Logan Draw-Atoka Gas Pool, Undesignated Logan Draw-Morrow Gas Pool, and Undesignated Crow Flats-Morrow Gas Pool; and (b) the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within this vertical extent which presently includes the Undesignated Empire-Grayburg Gas Pool. Both units are to be dedicated to a single well, its proposed Woody "10" Federal Com. Well No. 1, to be drilled within the SE/4 SE/4 (Unit P) of Section 10 at a location considered to be standard for these two units. 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 the operator of this well and the two above-described units, and a charge for risk involved in drilling the well. The proposed well location is approximately 1.5 miles northeast of Riverside, New Mexico.

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CASE 12369: Continued from April 20, 2000, Examiner Hearing.

Application Concho 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 Mississippian formation underlying the N/2 of Section 10, township 17 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within this vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool, Undesignated South shoe Bar-Morrow Gas Pool, Undesignated Shoe Bar-Mississippian Gas Pool, and Undesignated South Shoe Bar-Mississippian Gas Pool. This unit is to be dedicated to its proposed South Shoebar 10 State Com Well No. 2 (**API No. 30-025-34783**) to be drilled at a standard gas well location in the SW/4 NW/4 (Unit E) of Section 10. 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 charge for risk involved in drilling the well. The area is located approximately 8 miles southwest of Lovington, New Mexico.

CASE 12392: **Application of Chesapeake Operating Inc. for compulsory pooling and an unorthodox 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 following described acreage in Section 22, Township 16 South, Range 36 East, in the following manner: the W/2 to form 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 including but not limited to the Anderson Ranch-Morrow Gas Pool; the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within said vertical extent; the S/2 NW/4 to form 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 including but not limited to the Diamond-Strawn Pool; and the SE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. This unit(s) is to be dedicated to its Teague "22" Well No. 1 which will be located at an unorthodox well location 2272 feet from the north line and 2125 feet from the west line 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 applicant as the operator of the well and a charge for risk involved in drilling this well. This unit(s) is located approximately 2-1/2 miles south of the center of the City of Lovington, New Mexico.

CASE 12367: Continued from April 20, 2000, Examiner Hearing.

Application of Santa Fe Snyder Corporation for Pool Creation, Special Pool Rules, and an Unorthodox Oil Well Location, Eddy County, New Mexico. Applicant seeks an order creating a new pool for the production of oil designated as the North Cass Draw-Wolfcamp Pool with horizontal limits comprising the NW/4 of Section 27, Township 22 South, Range 27 East, and approving special pool rules for the pool including 160-acre well spacing and special well location requirements. Applicant requests that the pool rules be made effective February 1, 2000. Applicant further requests approval of an unorthodox location for its Weems Well No. 1 located 990 feet from the North line and 1330 feet from the West line (Unit C) of Section 27. The pool is located approximately 1 1/2 miles northwest of Otis, New Mexico.

CASE 12393: **Application of Santa Fe Snyder Corporation 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 following described acreage within Section 17, Township 23 South, Range 34 East, in the following manner: the N/2 of this section to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within this vertical extent, including but not limited to the Antelope Ridge-Morrow Gas Pool; the NW/4 of this section to form a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within this vertical extent; and the SW/4 NW/4 of this section to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within this vertical extent. This unit(s) is to be dedicated to its Paloma Blanco "17" Federal Well No. 1 to be drilled and completed at a standard well location in Unit E of this section. 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 the applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 22 miles southwest of Eunice, New Mexico.

CASE 12394: **Application of ARCO Permian for amendment of surface commingling Division Order PLC-143, Eddy County, New Mexico.** Applicant seeks an exception to Division Rule 309-B.A.(5)(b) to amend Division Order PLC-143 to permit surface commingling by well test for the Red Lake '3' Federal Lease (Federal Lease No. LC-028805-B), SW/4 NW/4 of Section 3; Vermillion '3' Federal Lease (Federal Lease No. LC-055465-B), SE/4 NW/4 of Section 3; West Red Lake '4' Federal Lease (Federal Lease No. LC-065478-A), N/2 NW/4 of Section 4; and Lago Rosa '4' Federal Lease (Federal Lease No. NMNM-29280), NW/4 SW/4 of Section 4; all in Township 18 South, Range 27 East. The leases are approximately 8 miles southeast of Artesia, New Mexico.

CASE 12395: **Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the base of the Pictured Cliffs formation to the base of the Dakota formation in S/2 of Section 29, Township 26 North, Range 2 West, N.M.P.M. for all formations and or pools developed on 320-acre spacing to be dedicated to its Bear Com 29 Well No. 1 to be drilled to a depth sufficient to test all formations in the pooled interval including, but not necessarily limited to the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool, at a standard location in the SE/4 of said Section 29. 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 11 miles north of Lindrith, New Mexico.