

Examiner Hearing – June 15, 2000

Docket No. 16-00

Page 6 of 6

CASE 12414: Continued from June 1, 2000, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the W/2, which includes but is not necessarily limited to the Undesignated West Anderson Ranch-Pennsylvanian Gas Pool and the Undesignated Anderson Ranch-Morrow Gas Pool, in Section 32, Township 15 South, Range 32 East. The unit is to be dedicated to its Anderson Ranch "32" State Com Well No. 1 to be drilled at a standard location 990 feet from the North and West lines of Section 32 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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 Nearburg Producing Company as operator of the well and a charge for risk involved in drilling the well. The area is located approximately 7 miles North of Maljamar, New Mexico.

CASE 12406: Continued from June 1, 2000, Examiner Hearing.

Application of Pogo Producing company for approval of permits to drill four wells within the potash area, as defined by Division Order No. R-111-P, Eddy County, New Mexico. Applicant seeks approval of permits to drill four wells in the S/2 S/2 of Section 35, Township 21 South, Range 31 East, to a depth sufficient to test the Undesignated Lost Tank-Delaware Pool. The proposed wells are within the potash area, as defined by Division Order No. R-111-P. The acreage is located approximately 28 miles east-northeast of Carlsbad, New Mexico.

CASE 12433: **Application of the Oil Conservation Division for an order requiring U-Mex, Inc. to properly plug two wells, Chaves County, New Mexico.** Applicant seeks an order requiring U-Mex to appear and show cause why two (2) wells located in Section 17, Township 10 South, Range 25 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.

CASE 12434: **Application of the Oil Conservation Division for an order requiring C. H. Juni to properly plug one well, Chaves County, New Mexico.** Applicant seeks an order requiring W. H. Juni to appear and show cause why one (1) well located in Section 1, Township 15 South, Range 29 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.

CASE 12435: **Application of the Oil Conservation Division for an order requiring Red Lake Oil Company to properly plug one well, Eddy County, New Mexico.** Applicant seeks an order requiring Red Lake Oil Company to appear and show cause why one (1) well located in Section 28, Township 17 South, Range 28 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.

CASE 12436: **Application of the Oil Conservation Division for an order requiring W. J. Conover to properly plug one well, Otero County, New Mexico.** Applicant seeks an order requiring W. J. Conover to appear and show cause why one (1) well located in Section 12, Township 12 South, Range 9 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.

CASE 12437: **Application of the Oil Conservation Division for an order requiring Sandco Oil and Gas Incorporated to properly plug three wells, Chaves County, New Mexico.** Applicant seeks an order requiring Sandco Oil and Gas Incorporated to appear and show cause why three (3) wells located in Section 25, Township 8 South, Range 28 East and Section 7, Township 8 South, Range 29 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.

CASE 12438: **Application of the Oil Conservation Division for an order requiring Salado Operating, L.L.C. to properly plug four wells, Eddy County, New Mexico.** Applicant seeks an order requiring Salado Operating L.L.C. to appear and show cause why four (4) wells located in Section 2, Township 16 South, Range 30 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.

Examiner Hearing – June 15, 2000

Docket No. 16-00

Page 5 of 6

CASE 12132: Reopened

In the matter of Case 12132 being reopened pursuant to the provisions of Division Order No. R-11181, which order established temporary special rules and regulations for the Anderson Ranch-Strawn Pool in Lea County, New Mexico, including a provision for 80-acre spacing units. Operators in the Anderson Ranch-Strawn Pool may appear and show cause why the Temporary Special Pool Rules for the pool should not be rescinded.

CASE 12385: Continued from May 18, 2000, Examiner Hearing.

Application of Texaco Exploration and Production, Inc. for Compulsory Pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Abo formation to the base of the Morrow formation underlying the following described acreage in Section 36, Township 15 South, Range 31 East, and in the following manner: (a) 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 spacing within this vertical extent which presently includes the Undesignated West Anderson Ranch-Pennsylvanian Gas Pool; and (b) the NW/4 to form a standard 160-acre gas spacing and proration unit for all formations developed on 160-acre spacing within this vertical extent. Both units are to be dedicated to the proposed Dulce "36" State Com. Well No. 1 (API No. 30-005-21160), to be drilled at a standard gas well location for both units 1330 feet from the North line and 1980 feet from the West line (Unit F) 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 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 seven miles north of Maljamar, New Mexico.

CASE 12396: Continued from June 1, 2000, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests underlying the E/2 of Section 12, Township 22 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit for formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the undesignated Catclaw Draw-Wolfcamp Gas Pool, undesignated Hackberry Hills-Canyon Gas Pool, undesignated Hackberry Hills-Atoka Gas Pool, and Revelation-Morrow Gas Pool. Said spacing and proration unit is to be dedicated to Nearburg's proposed White Tip 12 Fed. Com. Well # 1, to be drilled at a standard location in the SE/4 (Unit P) of said Section 12. 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 Nearburg Producing Company, L.L.C., as operator of the well; and, a charge for risk involved in drilling said well. Said area is located approximately 7 miles southwest of Carlsbad, New Mexico.

CASE 12397: Continued from June 1, 2000, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the W/2 of Section 19 Township 17 South, Range 28 East, NMPM, which includes but is not necessarily limited to the Undesignated Logan Draw-Morrow Gas Pool. Said units are to be dedicated to its Mandalay "19" State Com Well No. 1 to be drilled at a standard location 990 feet from the North line and 1650 feet from the West line of said Section 19 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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 Nearburg Producing Company, L.L.C. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 11 miles east of Artesia, New Mexico.

CASE 12413: Continued from June 1, 2000, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the N/2 which includes but is not necessarily limited to the Undesignated North Quail Ridge-Morrow Gas Pool and the Undesignated East Gem-Morrow Gas Pool, in all formations developed on 160-acre spacing in the NE/4 which includes but is not necessarily limited to the Undesignated Quail Ridge-Yates Gas Pool, and in all formations developed on 40-acre spacing in the SW/4 NE/4 which includes but is not necessarily limited to the Undesignated Tonto (Seven Rivers) Pool, the Undesignated Tonto Wolfcamp Pool, the Undesignated Southeast Buffalo-Bone Spring Pool and the Undesignated East Gem-Delaware Pool, all in Section 13 Township 19 South, Range 33 East. The unit is to be dedicated to its Stetson "13" Federal Com Well No. 1 to be drilled at a standard location 1650 feet from the North and East lines of said Section 13 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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 Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. The area is located approximately 11 miles northeast of Halfway, New Mexico.