

Section 26: NW/4, S/2
Section 27: All
Section 28: All
Section 29: E/2, SW/4
Section 32: All
Section 35: All

Township 22 South, Range 34 East

Section 2: All
Section 5: All
Section 8: N/2, SE/4
Section 9: All
Section 11: All
Section 14: N/2, SW/4
Section 15: All
Section 16: N/2, SE/4

The application requests the Division establish rules requiring operators of all newly drilled or recompleted wells in the Morrow formation to provide the operator of the Unit with information and data obtained during drilling, completion, and production to determine whether such wells are in communication with the unitized formation or would otherwise interfere with Unit operations. The special project rules would also include provisions requiring the operators of wells determined to be in communication with the Unitized Interval to demonstrate how such well may be produced without interfering with Unit operations or to take such other action determined to be appropriate. The Grama Ridge Morrow Gas Storage Unit is approximately 18 miles west of Eunice, New Mexico.

CASE 12562: Application of the New Mexico Oil Conservation Division through the Supervisor of District I for an order requiring Petroleum Production Management, Inc. to properly plug five wells in Lea County, New Mexico, authorizing the Division to plug said wells, and ordering a forfeiture of the plugging bond, if any. **IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12474: Continued from November 16, 2000, Examiner Hearing.

Application of the Oil Conservation Division for an order requiring Agua, Inc. to properly plug one well, Lea County, New Mexico. Applicant seeks an order requiring Agua, Inc. to appear and show cause why one (1) well located in Section 31, Township 18 South, Range 37 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 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. *In The Absence of Objection, This Case Will be Taken Under AdviseMENT.*

CASE 12502: Continued from November 16, 2000, Examiner Hearing.

In the matter of the hearing called by the New Mexico Oil Conservation Division on its own motion to amend Division Order No. R-5878, as amended. The Division seeks to further amend its "*Special Rules for Applications for Wellhead Price Ceiling Category Determinations*", as promulgated by Division Order No. R-5878, as amended, as necessary in order to comply with the Federal Energy

GPU [(i) the Primal Energy Corporation operated State "20" Well No. 1 (API No. 30-025-28421), located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 20; and (ii) Mirage Energy, Inc.'s State "SN" Well No. 1 (API No. 30-025-28784), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 17), which appear to be in violation of Rule 2 (a) 3 of the special Jalmat Pool rules, and to seek the necessary relief under the applicable rules.

CASE 12500: Continued from November 16, 2000, Examiner Hearing.

Application of Southwestern Energy Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described acreage in Section 31, Township 17 South, Range 28 East, and in the following manner: The N/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 that vertical extent, including but not limited to the Undesignated Southeast Logan Draw-Atoka Gas Pool and Undesignated North Illinois Camp-Morrow Gas Pool; the NE/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 that vertical extent, including the Undesignated Logan Draw-Wolfcamp Gas Pool; and the NE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated Logan Draw-Wolfcamp Pool. The units are to be dedicated to applicant's Big Bluff "31" State Com. Well No. 1, to be drilled at an orthodox location 660 feet from the North and East lines of Section 31. 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 the risk involved in drilling and completing the well. The units are located approximately 1 1/2 miles southeast of Artesia, New Mexico.

CASE 12441: Continued from November 16, 2000, Examiner Hearing.

Application of LG&E Natural Pipeline LLC for special rules for the Grama Ridge Morrow Gas Storage Unit, Lea County, New Mexico. Applicant seeks an order establishing special rules applicable to wells drilled and completed or recompleted in the Morrow formation within its Grama Ridge Morrow Gas Storage Unit and within each 320-acre spacing unit immediately adjacent to the Unit in the following described area:

Grama Ridge Morrow Gas Storage Agreement

Township 21 South, Range 34 East

Section 33: All

Section 34: All

Township 22 South, Range 34 East

Section 3: All

Section 4: All

Section 10: All

Acreage Adjacent to Unit

Township 21 South, Range 34 East