

Examiner Hearing – April 19, 2001
Docket No. 12-01
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as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles northeast of Kirtland, New Mexico.

CASE 12622: Continued from April 5, 2001, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for two non-standard gas spacing and proration units, Lea County, New Mexico. Applicant seeks an exception to the spacing provisions of Division Rule 104.C (2) to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-Morrow Gas Pool comprising: (i) the NE/4 of Section 34, Township 21 South, Range 34 East, to be dedicated to the Nearburg Producing Company's existing Grama Ridge East "34" State Well No. 1 (API No. 30-025-34948), located at a standard gas well location 1548 feet from the North line and 990 feet from the East line (Unit H) of Section 34; and (ii) the SE/4 of Section 34 to be dedicated to the EOG Resources, Inc. operated Llano "34" State Well No. 1 (API No. 30-025-26318), located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of Section 34. These two wells are located approximately 17 miles west of Eunice, New Mexico.

CASE 12551: Continued from April 5, 2001, 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 the following described spacing and proration units in Section 14, Township 21 South, Range 34 East, as follows: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Wilson-Morrow Gas Pool and the Undesignated South Wilson- Pennsylvanian Gas Pool; and the SE/4 for all formations and/or pools developed on 160-acre spacing. Said units are to be dedicated to its Side Pocket "14" State Com Well No. 1 to be drilled at a standard location 1980 feet from the South line and 660 feet from the East line of Section 14 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. Said area is located approximately 20 miles Southeast of Halfway, New Mexico.

CASE 12607: Continued from April 5, 2001, Examiner Hearing.

Application of Nearburg Producing Company for hardship gas well classification, Eddy County, New Mexico. Applicant seeks a determination that its Shelby Federal Well No. 3 (API No. 30-015-25949), located 1900 feet from the South line and 2150 feet from the West line (Unit K) of Section 12, Township 22 South, Range 24 East, McKittrick Hills-Upper Pennsylvanian Gas Pool, is a hardship gas well under Division Rule 408 that should be granted priority access to pipeline takes in order to avoid waste. This well is located approximately 13 miles west of Carlsbad, New Mexico.

CASE 12623: Continued from March 22, 2001, Examiner Hearing.

Application of Raptor Resources, Inc. for two unorthodox infill gas well locations and simultaneous dedication, Lea County, New Mexico. Applicant seeks an exception to the well location requirements provided within the "Special Pool Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, for two unorthodox Jalmat infill gas well locations within an existing non-standard 520-acre spacing and proration unit in the Jalmat Gas Pool (authorized by Division Order No. R-9073, dated December 14, 1989, as amended by

Division Order No. R-9073-B) comprised of S/2 NE/4, N/2 SE/4, and SE/4 SE/4 of Section 9 and the W/2 of Section 10, Township 23 South, Range 36 East, which is located approximately 7.5 miles southwest of Eunice, New Mexico. The applicant's State "A" A/C-1 Well No. 130 is to be drilled at an unorthodox infill gas location 660 feet from the South and East lines of Section 9 and applicant's State "A" A/C Well No. 131 is to be drilled at an unorthodox infill gas well location 1980 feet from the South line and 660 feet from the East line of Section 9. This unit is currently dedicated to Raptor Resources, Inc.'s:

- A. State "A" A/C-1 Well No. 37 (API No. 30-025-09290), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 10;
- B. State "A" A/C-1 Well No. 38 (API No. 30-025-09291), located at a standard gas well location 990 feet from the South and West lines (Unit M) of Section 10;
- C. State "A" A/C-1 Well No. 49 (API No. 30-025-09292), located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 10;
- D. State "A" A/C-1 Well No. 55 (API No. 30-025-09293), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10;
- E. State "A" A/C-1 Well No. 56 (API No. 30-025-09294), located at a standard location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 10, which is currently plugged and abandoned;
- F. State "A" A/C-1 Well No. 81 (API No. 30-025-09295), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 10;
- G. State "A" A/C-1 Well No. 86 (API No. 30-025-09295), located at an unorthodox gas well location 1980 feet from the North and West lines (Unit F) of Section 10, which is currently temporarily abandoned;
- H. State "A" A/C-1 Well No. 88 (API No. 30-025-09297), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 10, which is currently temporarily abandoned;
- I. State "A" A/C-1 Well No. 89 (API No. 30-025-09298), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 10; and
- J. State "A" A/C-1 Well No. 100, located at an unorthodox gas well location 1980 feet from the North line and 990 feet from the East line (Unit H) of Section 9, which is currently plugged and abandoned.

Further, the applicant, pursuant to the rules governing the Jalmat Gas Pool and the stipulated declaratory judgment issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Jalmat production to this 520-acre non-standard unit from all twelve of the above described State "A" A/C Wells No. 37, 38, 49, 55, 56, 81, 86, 88, 89, 100, 130, and 131.