

Examiner Hearing – May 31, 2001
Docket No. 18-01
Page 4 of 8

West, as an infill gas well in the Basin-Dakota Pool within an existing standard 306.35-acre stand-up gas spacing and proration unit comprising Lots 1, 2, 7, 8, 9, 10, 15, and 16 (E/2 equivalent) of Section 35 (which is located approximately 13 miles east of Bloomfield, New Mexico. Applicant seeks an exception to the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987-B, as amended by Division Order No. R-10987-B (1), in order to drill and complete the proposed Florance Well No. 117-M within the same quarter section as the above-described Florance Well No. 117.

CASE 12552: Continued from May 3, 2001, Examiner Hearing.

Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation underlying the S/2 of Section 23, Township 22 South, Range 32 East, for all formations and/or pools developed on 320-acre spacing which includes but it not necessarily limited to the Undesignated Bootleg-Ridge Morrow Gas Pool and the Undesignated East Red Tank-Atoka Gas Pool. Applicant proposes to dedicate the pooled units to its Red Tank "23" Federal Com Well No. 1 to be drilled at a standard gas well location in the NW/4 SE/4 of Section 23. 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 30 miles west of Eunice, New Mexico.

CASE 12673: **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the top 150 feet of the Mississippian formation underlying the E/2 of Section 8, Township 18 South, Range 31 East, 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 North Shugart-Morrow Gas Pool. The unit is to be dedicated to applicant's Fren "8" Fed. Com. Well No. 2, to be drilled at an orthodox location in the NE/4 NE/4 of Section 8. 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 unit is located approximately 6½ miles southeast of Loco Hills, New Mexico.

CASE 12674: **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 32, Township 18 South, Range 24 East, and in the following manner: The S/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Antelope Sink-Morrow Gas Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Southern Cross "32" State Com. Well No. 1, to be located at an orthodox location in the NE/4 SW/4 of Section 32. 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 10½ miles southeast of Hope, New Mexico.

CASE 12320: Continued from May 3, 2001, Examiner Hearing.

Application of Chevron U.S.A. Production Co. for Approval to convert the EMSU Wells No. 210, 212, 222, 252 and 258 to Injection in the Eunice Monument South Unit, Lea County, New Mexico. Applicant seeks approval to convert its EMSU Wells No. 210, 212, 222, 252 and 258 to injection in the Eunice Monument South Unit (EMSU). These wells are designed to improve recovery efficiency of the waterflood patterns and enhance production of the EMSU secondary recovery project. The wells are located in the following locations: No. 210 - Section 4, Unit K, Township 21 South, Range 36 East; No. 252 - Section 5, Unit I, Township 21 South, Range 36 East; No. 222 - Section 6, Unit O, Township 21 South, Range 36 East; No. 252 - Section 6, Unit W, Township 21 South, Range 36 East; No. 258 - Section 4, Unit U, Township 21 South, Range 36 East. Water will be injected into the unitized interval of the Eunice Monument Grayburg-San Andres Pool which has an upper limit of 100 feet below mean sea level or the top of the Grayburg formation, whichever is higher, to a lower limit of the base of the San Andres formation. Injection will occur at an expected maximum pressure rate of 1500 barrels of water per day and an expected maximum pressure of 750 pounds per square inch. This area is approximately one mile west-southwest of Oil Center, New Mexico.

CASE 12648: Continued from May 17, 2001, Examiner Hearing.

Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation in all formations developed on 320-acre spacing underlying the S/2 which include but are not necessarily limited to the Undesignated East Red Tank-Cisco Gas Pool, Undesignated East Red Tank-Atoka Gas Pool, Undesignated East Red Tank-Morrow Gas Pool and Undesignated Bootleg Ridge-Morrow Gas Pool; in all formations developed on 160-acre spacing underlying the SW/4; and in all formations developed on 40-acre spacing underlying the SW/4 SW/4 which include but are not necessarily limited to the West Red Tank-Delaware Pool and the Red Tank-Bone Spring Pool; all in Section 24, Township 22 South, Range 32 East. Applicant proposes to dedicate the pooled units to its Red Tank "24" Federal Well No. 3 to be drilled at a standard gas well location 660 feet from the South and West lines of said Section 24. 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 13 miles southeast of the intersection of State Highway 176 and U. S. Highway 62/180.

CASE 12387: Reopened

In the matter of Case 12387 being reopened pursuant to the provisions of Division Order No. R-11374, which order promulgated temporary special pool rules for the Southeast Arena Blanca-Entrada Pool in Sandoval County, New Mexico, including provisions for 160-acre spacing and proration units and designated well locations. Operators in the Southeast Arena Blanca-Entrada Pool shall appear and show cause why the temporary special rules for the pool should not be rescinded.

CASE 12672: Application of Amoco Production Company for an exception to the well density and location provisions of the special rules governing the Basin-Dakota Pool, San Juan County, New Mexico. The applicant in this matter proposes to drill its Florance Well No. 117-M 2380 feet from the South line and 1790 feet from the East line (Lot 10/Unit J) of Section 35, Township 29 North, Range 9