

Range 26 East, in the following manner: the E/2 to form a standard 320-acre gas spacing unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently includes but is not necessarily limited to the South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing unit for all formations and/or pools developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre spacing unit for all formations and/or pools developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to Applicant's proposed Saragossa 4 Fed Com Well No. 1 to be located at a standard location in Unit I of this section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a charge for risk involved in drilling and completing this well. This unit is located approximately 6 miles southwest of Carlsbad, New Mexico.

CASE 12688: Reopened

Application of McElvain Oil & Gas Properties, Inc. for a non-standard gas spacing and proration unit, Rio Arriba County, New Mexico. Applicant seeks an order approving a 505.20-acre gas spacing and proration unit comprised of Lots 3 and 4, S/2 NW/4 and SW/4 of Section 5 and Lots 1 through 4 of Section 6, Township 25 North, Range 2 West, for all formations and/or pools developed on 320-acre spacing. Said unit is to be dedicated to a well to be drilled to a depth sufficient to test the Mesaverde formation, Blanco-Mesaverde Gas Pool, at a standard location in the NW/4 of said Section 5. Said area is located approximately 11 miles northwest of Lindrieth, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12320: Continued from August 9, 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 12736: **Application of KUKUI Operating Company for an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks an exception to Division Rule 104.C (2) for its proposed Goodnight "35" Federal Well No. 3 (API No. 30-015-31865) to be drilled at an unorthodox gas well location 440 feet from the South line and 660 feet from the West line (Unit M) of Section 35, Township 23 South, Range 29 East. The S/2 of Section 35 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Wolfcamp (Laguna Grande-Wolfcamp Gas Pool), Strawn, Atoka, and Morrow formations. This unit is located approximately 8.5 miles east by

Examiner Hearing – October 4, 2001

Docket No. 32-01

Page 3 of 12

In Chaves County, New Mexico:

Well	API No.	Twsp	Range	Sec.	Unit
Herman V. Wallis-Federal 14 #1	30-005-60491	14S	28E	14	K
Herman V. Wallis-Federal 14 #2	30-005-60258	14S	28E	14	D
Herman V. Wallis-Laura Federal #1	30-005-62081	14S	28E	10	M
Herman V. Wallis-State Com #1	30-005-60289	14S	28E	11	O
Read & Stevens-Buffalo Valley Com #1	30-005-60014	15S	27E	02	F
Read & Stevens-Jackson #1	30-005-20422	12S	30E	25	I
Read & Stevens-Sulimar #1	30-005-60194	15S	29E	26	K
Read & Stevens-Sulimar #2	30-005-60206	15S	29E	26	M
Read & Stevens-West Haystack Federal #5	30-005-62991	06S	27E	19	F
Stevens Operating-O'Brien C#1	30-005-10188	09S	28E	01	M
Stevens Operating-O'Brien C34	30-005-60330	09S	28E	01	L
Stevens Operating-O'Brien DQ#1	30-005-60731	07S	29E	30	D
Stevens Operating-O'Brien DQ#2	30-005-61017	07S	29E	30	N
Stevens Operating-O'Brien EA#1	30-005-62240	07S	29E	33	F
Julian Ard-Acme #1	30-005-61891	19S	24E	36	C
Stevens Operating-West White Ranch #2	30-005-10094	12S	28E	01	H

CASE 12699: Continued from August 23, 2001, Examiner Hearing.

Application of Ocean Energy 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 Mississippian formation underlying the E/4 of Section 10, Township 16 South, Range 27 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 Duftield-Strawn Gas Pool, Diamond Mound-Atoka Gas Pool, and Diamond Mound-Morrow Gas Pool. The unit is to be dedicated to applicant's Cook Fed. Com. 10 Well No. 2, to be drilled at an orthodox location in the SE/4 SE/4 of Section 10. The unit will be simultaneously dedicated, in the Morrow formation, to the proposed well and the existing Cook Fed. Com. 10 Well No. 1, located in the S/2 NE4 of the section. 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 10½ miles northeast of Artesia, New Mexico.

CASE 12734: Application of Richardson Operating Company to establish a Special "Infill Well" Area within the Basin-Fruitland Coal Gas Pool as an exception from Rule 4 of the special rules for this pool, San Juan County, New Mexico. Applicant seeks the establishment of a Special "Infill Well" Area consisting of Section 36 of Township 30 North, Range 15 West, Section 1 of Township 29 North, Range 15 West, Sections 16, 19, 20, 21, 28 through 33 of Township 30 North, Range 14 West, Sections 4, 5 and 6 of Township 29 North, Range 14 West within the Basin-Fruitland Coal Gas Pool, as an exception from Rule 4 of the Special Rules and Regulations for this pool to allow the drilling of a second well within a standard 320-acre spacing unit. The Special "Infill Well" Area is located approximately 2 miles north of Kirkland, New Mexico.

CASE 12735: Application of Louis Dreyfus Natural Gas Corporation 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 4, Township 23 South,