

DOCKET: EXAMINER HEARING - THURSDAY – AUGUST 9, 2001

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 27-01 and 28-01 are tentatively set for August 23, 2001 and September 6, 2001. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 12704: **Application of Tiffany Gas Company Appealing Order Assessing a Civil Penalty, San Juan County, New Mexico.** Applicant seeks an order setting aside a civil penalty assessed by Administrative Notice of Violation 01-2 for alleged improper reporting of a bradenhead test allegedly conducted on applicant's Navajo "18" Well No. 3, in Unit B of Section 18, Township 29 North, Range 16 West; API No. 30-045-20299. The only issues to be considered will be the nature of the applicant's violation(s), if any, of OCD Rules, and the appropriateness of the penalty.

CASE 12705: **Application of D.J. Simmons, Inc. for Compulsory Pooling, Rio Arriba County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Mesaverde formation in the E/2 of Section 25, Township 25 North, Range 3 West, for all formations and or pools developed on 320-acre spacing, including, but not necessarily limited to, the Mesaverde formation, Blanco-Mesaverde Gas Pool. Said unit is to be dedicated to Applicant's Bishop Federal 25-1 well to be drilled at a standard location in the NE/4 of said Section 25 to a depth sufficient to test all formations in the pooled intervals, as well as the Chacra formation and the Gallup-Dakota formation, West Lindrith Gallup-Dakota Oil pool. 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 and a charge for the risk involved in drilling said well. The unit is located approximately 5 miles southwest of Lindrith, New Mexico.

CASE 12674: **Continued from July 12, 2001, Examiner Hearing.**

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 12706: **Application of Nadel and Gussman Permian, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the upper 200 feet of the Mississippian formation underlying the following described acreage in Section 17, Township 19 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 and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated Hoag Tank-Wolfcamp Gas Pool, Undesignated Antelope Sink-Upper Pennsylvanian Gas Pool, Undesignated Hoag Tank-Strawn Gas Pool, and Hoag Tank-Morrow Gas Pool; and the SE/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. The units are to be dedicated to applicant's Ancell Well No. 1, to be drilled at an orthodox location in the SE/4 of Section 17. 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 11½ miles northwest of Seven Rivers, New Mexico.

CASE 12690: Continued from July 12, 2001, Examiner Hearing.

Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant an order pooling all mineral interests in all formations from the base of the Pictured Cliffs formation to the base of the Dakota formation in the W/2 of Section 11, Township 25 North, Range 2 West, for all formations and/or pools developed on 320-acre spacing within this vertical extent. Said unit is to be dedicated to its Badger Com 11 Well No. 1 to be drilled to a depth sufficient to test all formations to the base of the Dakota formation, Basin-Dakota Gas Pool, at a standard location in the SW/4 of said Section 11. 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 9.2 miles northeast of Lindrith, New Mexico.

CASE 12633: Reopened

Application of McElvain Oil & Gas Properties, Inc. to reopen compulsory pooling Case No. 12633 and Order No. R-11471-A to pool additional interests, Rio Arriba County, New Mexico. Applicant seeks to reopen Case No. 12633 and Order No. R-11471-A to include additional interests. Division Order No. R-11471-A was entered on July 10, 2001, and pooled all mineral interests in all formations from the base of the Pictured Cliffs formation to the base of the Dakota formation in the W/2 of Section 4, Township 25 North, Range 2 West, for all formations and or pools developed on 320-acre spacing for applicant's proposed Cougar Com 4 Well No. 2A to be drilled to a depth sufficient to test all formations to the base of the Dakota formation, Basin-Dakota Gas Pool, at a standard location in the SW/4 of said Section 4. Order No. R-11471-A addressed, among other matters, 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 9.5 miles north of Lindrith, New Mexico.

CASE 12707: Application of BP/Amoco Production Company for permit modification and an exemption to certain provisions of Oil Conservation Division Rule 711, San Juan County, New Mexico.

Applicant seeks an order modifying OCD Rule 711 Permit Approval NM-02-0003 for the BP Crouch Mesa Centralized Waste Management Facility and an exemption from the provision of Oil Conservation Division Rule 711 to permit it to accept wastes generated outside New Mexico at this centralized surface waste management facility. Applicant accepts for remediation by land farming crude oil contaminated soils from pump stations operated by BP which are part of the former ARCO Pipe Line crude oil pipeline (Line 90) that runs from New Mexico to southern California. Applicant seeks authorization to accept crude oil contaminated soils from two pump stations on this pipeline located in the state of Arizona and one pump station on this line located in the state of Utah. The BP Crouch Mesa Centralized Waste Management Facility is located in the SW/4 SE/4 of Section 2, Township 29 North, Range 12 West, which is approximately 4 miles southeast of Farmington, New Mexico.