

East, to be recompleted into the Skaggs-Abo Gas Pool (85410) by kicking-off in a northern direction and drilling horizontally an approximate distance of 1,645 feet within an existing non-standard 160-acre gas spacing unit comprising the S/2 NW/4 and N/2 SW/4 of Section 12 (approved by Division Order No. R-7179, issued in Case No. 7761 on January 5, 1983) such that the resulting producing area extends to within 330 feet to the northern boundary of this unit. Further, the applicant seeks an exception to Division Rule 104.D (3) in order to simultaneously dedicate Skaggs Abo gas production from the above-described C. H. Weir "A" Well No. 7 with the existing C. H. Weir "A" Well No. 14 (API No. 30-025-27829), located at a standard gas well location 1980 feet from the South line and 1815 feet from the West line (Unit K) of Section 12. This unit is located approximately nine miles southwest of Hobbs, New Mexico.

CASE 12774: Continued from December 6, 2001, Examiner Hearing.

Application of Texaco Exploration and Production Inc. for an exception to Division Rule 104.D (3), Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.D (3) in order to simultaneously dedicate production attributed to the Mid Justis-Abo Gas Pool (96543) within an existing 160-acre standard gas spacing unit comprising the SE/4 of Section 24, Township 25 South, Range 37 East, from the following two wells: (i) A. B. Coats "C" Well No. 9 (API No. 30-025-11731), located at a standard surface gas well location 1980 feet from the South and East lines (Unit J) of Section 24, to be recompleted into the Abo formation by kicking-off within the existing vertical wellbore in a southern direction and directionally drilling to a standard subsurface gas well in Unit "J" of Section 24; and (ii) A. B. Coats "C" Well No. 15 (API No. 30-025-11728), located at a standard surface gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 24 and completed within the Abo formation at a standard subsurface gas well location in Unit "P" of Section 24. This unit is located approximately five miles east of Jal, New Mexico.

CASE 12804: **Application of SunValley Energy Corporation for compulsory pooling, Lea County, New Mexico.** Applicant in accordance with Division Rules 1207.A(1)(b), seeks an order pooling all mineral interests in all formations developed on 40-acre spacing in the SW/4 NW/4 of Section 12 Township 18 South, Range 38 East, which includes but is not necessarily limited to the Undesignated East Bishop Canyon-San Andres Pool and the Undesignated Bishop Canyon-Queen Pool. Said unit is to be dedicated to its Monk Well No. 1 to be drilled at a standard location 1980 feet from the North line and 660 feet from the West line of said Section 12 to a depth sufficient to test all formations from the surface to the base of the San Andres 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 Avra Oil Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles northeast of Hobbs, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12805: **Application of SunValley Energy Corporation for compulsory pooling, Lea County, New Mexico.** Applicant in accordance with Division Rules 1207.A(1)(b), seeks an order pooling all mineral interests in all formations developed on 40-acre spacing in the SE/4 NW/4 of Section 12 Township 18 South, Range 38 East, which includes but is not necessarily limited to the Undesignated East Bishop Canyon-San Andres Pool and the Undesignated Bishop Canyon-Queen Pool. Said unit is to be dedicated to its Monk Well No. 2 to be drilled at a standard location 1980 feet from the North and West line of said Section 12 to a depth sufficient to test all formations from the surface to the base of the San Andres 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 Avra Oil Company as operator of the well and a charge for risk involved in drilling said

well. Said area is located approximately 2 miles northeast of Hobbs, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12320: Continued from January 10, 2002, 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 12806: Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 32, Township 18 South, Range 31 East, as follows: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Shugart-Morrow Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing; and the SE/4 NE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool. Said units are to be dedicated to its Red Cloud "32" State Com Well No. 2 to be drilled at a standard location 1980 feet from the North line and 660 feet from the East line of said Section 32 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, provisions governing subsequent operations on the pooled units, 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 10 miles southeast of Loco Hills, New Mexico.

CASE 12807: Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 32, Township 18 South, Range 31 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 Undesignated Shugart-Morrow Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing; and the SE/4 SE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool. Said units are to be dedicated to its Red Cloud "32" State Com Well No. 1 to be drilled at a standard location 660 feet from the South and East lines of said Section 32 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, provisions governing subsequent operations on the pooled units, 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 10.5 miles southeast of Loco