

Examiner Hearing – December 6, 2001

Docket No. 40-01

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Gas Pool. The unit is to be dedicated to applicant's Remington "18" St. Com. Well No. 1, drilled at an orthodox location in the NW/4 SE/4 of Section 18. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 9 miles southwest of Loco Hills, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12755: Continued from November 1, 2001, Examiner Hearing.

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying Lots 1-4 and the E/2 W/2 (the W/2 equivalent) of Section 18, Township 18 South, Range 29 East, in the following manner: Lots 1-4 and the E/2 W/2 (the W/2 equivalent) of Section 18 to form a non-standard 332.48-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 West Millman-Wolfcamp Pool, Millman-Strawn Gas Pool, and Undesignated South Millman-Morrow Gas Pool; and Lots 3, 4, and the E/2 SW/4 (the SW/4 equivalent) of Section 18 to form a non-standard 166.12-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent. The unit is to be dedicated to applicant's Remington "18" St. Com. Well No. 2, to be drilled at an orthodox location in the SE/4 SW/4 of Section 18. 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 9½ miles southwest of Loco Hills, New Mexico.

CASE 12778: **Application of Devon Energy Production Company, L.P. to abolish the Special Rules and Regulations for the Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico.** Applicant seeks an order abolishing the Special Rules and Regulations for the Buffalo Valley-Pennsylvanian Gas Pool and making the Division's statewide spacing and well location rules applicable to the pool. The pool covers all or portions of Sections 25, 26, 35, and 36, Township 14 South, Range 27 East, Section 31, Township 14 South, Range 28 East, Sections 1-4, 11-15, and 22-26, Township 15 South, Range 27 East, and Sections 6-8, 16-18, 20, and 21, Township 15 South, Range 28 East. The pool is centered approximately 10 miles southeast of Hagerman, New Mexico.

CASE 12779: **Application of Devon Energy Production Company, L.P. 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 7, Township 17 South, Range 27 East, and in the following manner: The E/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 Undesignated Logan Draw-Morrow Gas Pool; and the SE/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 Troll "7" State Com. Well No. 1, to be located at an orthodox location in the NW/4 SE/4 of Section 7. 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 5 miles east of Artesia, New Mexico.

CASE 12780: **Application of Preston Exploration Company, L.P. for compulsory pooling and approval of a non-**

CASE 12767: Continued from November 15, 2001, Examiner Hearing.

Application of Chesapeake Operating, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks approval to drill and produce its proposed Buchanar "32" Well No. 1 at an unorthodox oil well location 2520 feet from the South line and 1909 feet from the West line (Unit K) of Section 32, Township 16 South, Range 37 East, for production from the Strawn formation from the Northeast Lovington-Pennsylvanian Pool to be dedicated to a standard 80-acre oil spacing and proration unit consisting of the N/2 SW/4 of this section. This location is located approximately 5 ½ miles southeast of Lovington, New Mexico.

CASE 12768: Continued from November 15, 2001, Examiner Hearing.

Application of Chesapeake Operating Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the following described acreage in Section 9, Township 16 South, Range 37 East: the E/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within this vertical extent, including the Northeast Lovington-Pennsylvanian Pool; and the NE/4 SW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within this vertical extent. This unit is to be dedicated to its Buddy "9" Well No. 1 which will be located at a standard well location within Unit K of this section. Applicant further seeks an order prescribing terms ("operating provisions") pursuant to which future operations may be conducted in accordance with applicant's Joint Operating Agreement. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 4 miles east of the center of the City of Lovington, New Mexico.

CASE 12777: **Application of Fasken Oil & Ranch, Ltd. for an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks an exception to the applicable gas well location set-back requirements governing all formations or pools from the surface to the base of the Morrow formation for its Cameron "31" Federal Well No. 2 to be drilled 2449 feet from the North line and 408 feet from the East line (Unit H) of Section 31, Township 20 South, Range 25 East, to be dedicated to the following described spacing and proration units: (i) Lots 1 and 2, the NE/4, and the E/2 NW/4 (N/2 equivalent) of Section 31 to form a standard 319.40-acre gas spacing and proration unit for all formations or pools developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool and Cemetery-Morrow Gas Pool; and (ii) the NE/4 to form a standard 160-acre spacing and proration unit for all formations or pools developed on 160-acre spacing, which presently includes but is not necessarily limited to the Undesignated Cemetery-Wolfcamp Gas Pool. The proposed well location is approximately 7.5 miles southwest of Seven Rivers, New Mexico.

CASE 12760: Continued from November 15, 2001, Examiner Hearing.

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 Grayburg formation to the base of the Morrow formation underlying the E/2 of Section 18, Township 19 South, Range 28 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 West Millman-Wolfcamp Pool, Millman-Strawn Gas Pool, and Undesignated South Millman-Morrow