

DOCKET: EXAMINER HEARING - THURSDAY – APRIL 18, 2002

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

Santa Fe, New Mexico

Docket Nos. 12-02 and 13-02 are tentatively set for May 2, 2002 and May 16, 2002. 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 12836: Continued from April 4, 2002, Examiner Hearing.

Application of Burlington Resources Oil & Gas Company, L. P. for an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks approval to drill its proposed Quinn Well No. 339-R at an unorthodox gas well (off-pattern) location 770 feet from the North line and 725 feet from the West line (Unit D) of Section 20, Township 31 North, Range 8 West, said location being unorthodox for any and all gas production from the Basin Fruitland Coal Gas Pool and, if productive, to be dedicated to a standard 320-acre gas spacing and proration unit consisting of the W/2 of said Section 20. Said location is located approximately 9 miles north-northwest of the Navajo Dam spillway.

CASE 12848: **Application of SDX Resources, Inc. for the creation of the Red Lake San Andres Pool and the corresponding contraction of the Red Lake Queen-Grayburg-San Andres Pool, Eddy County, New Mexico.** Applicant seeks the creation of a Red Lake-San Andres Pool to include the SE/4 of Section 19, the E/2, SW/4, E/2 NW/4 and SW/4 NW/4 of Section 20, the SW/4, SW/4 NW/4, W/2 SE/4 of Section 21, NE/4 of Section 30, N/2 of Section 29, NW/4, NE/4 SW/4 and NW/4 NE/4 of Section 28, Township 17 South, Range 28 East, the vertical limits of which are all of the San Andres formations as shown from a depth 1925 feet to 3500 feet on the log of the SDX Welch RL State Well No. 1 located in Unit (E) of Section 28, Township 17 South, Range 28 East, and the corresponding contraction of the Red Lake Queen-Grayburg-San Andres Pool to delete said acreage from that pool. This acreage is located approximately 11-1/2 miles east of Artesia, New Mexico.

CASE 12849: **Application of Apache Corporation to Amend Order R-11744, Lea County, New Mexico.** Applicant seeks to amend Order R-11744 to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act. This project is the Grizzell Lease waterflood project located in the SE/4 of Section 8, Township 22 South, Range 37 East, for the injection of water into the Grayburg formation of the Penrose Skelly Grayburg Pool from its Grizzell Well No. 11 located 1300 feet from the South line and 1139 feet from the East line of Section 8 through a perforated interval from 3580 feet to 3816 feet. The well is located approximately 3 miles south-southwest of Eunice, New Mexico.

CASE 12850: **Application of Energen Resources Corporation To Increase The Gas-Oil Ratio For The West Lovington-Strawn Pool, Lea County, New Mexico.** Applicant seeks an order increasing the present gas-oil ratio of 2,000 cubic feet of gas per barrel of oil to 4,000 cubic feet of gas per barrel of oil for the West Lovington-Strawn Pool and the West Lovington-Strawn Unit Area. The West Lovington-Strawn Pool and the West Lovington-Strawn Unit operated by Applicant are located approximately four miles west of Lovington, New Mexico and include the following described areas:

West Lovington-Strawn Pool

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 28: S/2 SW/4, SE/4
Section 32: E/2 E/2
Section 33: All
Section 34: S/2 NE/4, W/2, and SE/4
Section 35: W/2 SW/4

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 1: Lots 1 through 11 and the N/2 and SE/4 equivalents of Lot 12

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 5: Lots 3, 4, and 5

Section 6: Lots 1, 2, 6, 7, and 8.

West Lovington-Strawn Unit Area

TOWNSHIP 15 SOUTH, RANGE 35 EAST NMPM

Section 28: S/2 S/2

Section 32: E/2 E/2

Section 33: All

Section 34: S/2 NE/4, W/2, and SE/4

Section 35: W/2 SW/4

TOWNSHIP 16 SOUTH RANGE 35 EAST NMPM

Section 1: Lots 1 through 11 and the N/2 and SE/4 equivalents of Lot 12

TOWNSHIP 16 SOUTH RANGE 36 EAST NMPM

Section 5: Lots 3, 4 and 5

Section 6: Lots 1, 2, 6, 7 and 8

CASE 12847: Continued from April 4, 2002, Examiner Hearing.

Application of V-F Petroleum Inc. 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 22, Township 20 South, Range 30 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 Golden Lane-Strawn Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the NW/4 NW/4 or the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Dos Hermanos Yates-Seven Rivers Pool and the Undesignated P.C.A. (Yates) Pool. Said units are to be dedicated to its Hale Federal Com Well No. 3 to be directionally drilled from an unorthodox surface location 1450 feet from the South line and 660 feet from the West line to a previously approved unorthodox bottom hole location in the Morrow formation 950 feet from the North line and 760 feet from the West line of said Section 22 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 applicant as operator of the well and a charge for risk involved in drilling the well. Said area is located approximately 17 miles South of Loco Hills, New Mexico.

CASE 12845: Continued from April 4, 2002, Examiner Hearing.

Application of EnerQuest Resources, LLC. for statutory unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interests in the San Andres formation, East Hobbs-San Andres Pool, underlying 920 acres, more or less, of State and Fee lands in the following acreage: