

developed on 320-acre spacing within that vertical extent, including the Southeast Crow Flats-Morrow Gas Pool; and the NW/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. Applicant requests that the pooling of the units be made effective as of the date of first production from its Hiawatha Fed. Com. Well No. 1 drilled and completed at an orthodox location in the SW/4 NW/4 of Section 10. Also to be considered will be the designation of Chi Operating, Inc. as operator of the well. The units are located approximately 13½ miles east-northeast of Artesia, New Mexico.

CASE 12881: Continued from June 27, 2002, Examiner Hearing.

Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted overriding royalty owners with respect to production from the surface to the base of the Morrow formation underlying the following described acreage in Section 10, Township 17 South, Range 28 East: 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 the Southeast Crow Flats-Morrow Gas Pool; and the SW/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. Applicant requests that the pooling of the units be made effective as of the date of first production from its Coal Train Fed. Com. Well No. 1 drilled and completed at an orthodox location in the SW/4 SW/4 of Section 10. Also to be considered will be the designation of Chi Operating, Inc. as operator of the well. The units are located approximately 13½ miles east-northeast of Artesia, New Mexico.

CASE 12905: Application of Pronghorn Management Corporation for Approval of a Salt Water Disposal Well, Lea County, New Mexico. Applicant seeks approval to utilize its State "T" Well No. 2 (API No. 30-025-03735) located 4290 feet from the South line and 500 feet from the West line, (Unit L) Section 6, Township 16 South, Range 36 East, to dispose of produced water into the San Andres and Glorieta formations from a depth of 6000 feet to 6400 feet. This well is located approximately 2 miles west of Lovington, New Mexico.

CASE 12866: Continued from June 27, 2002, Examiner Hearing.

Application of C. W. Trainer for approval of a salt water disposal well, Lea County, New Mexico. Applicant seeks approval to utilize its State GA Well No. 6 (API No. 30-025-03687) located 660 feet from the North line and 990 feet from the West line (Unit D) of Section 16, Township 15 South, Range 36 East, to dispose of produced water into the San Andres and Glorieta formations from a depth of 4749 feet to 6230 feet. This well is located approximately 3 miles northeast of Lea County, New Mexico.

CASE 12906: Application of the New Mexico Oil Conservation Division for an Order Requiring George A. Chase, Jr. to Bring One (1) Well into Compliance with Rule 201.B, and Assessing an Appropriate Civil Penalty; Eddy County, New Mexico. The Applicant seeks an order requiring George A. Chase, Jr. to bring his Superior Federal Well No. 1 (API No. 30-015-10751), located 2310 feet from the North line and 1980 feet from the West line of Section 20, Township 16 South, Range 31 East, in Eddy County, New Mexico into compliance with OCD Rule 201.B by either restoring said well to production or beneficial use, plugging and abandoning said well or securing Division approval for temporary abandonment thereof.

CASE 12907: Application of the New Mexico Oil Conservation Division for an Order Requiring McKay Oil Corporation to Bring One (1) Well into Compliance with Rule 201.B, and Assessing an Appropriate Civil Penalty; Chaves County, New Mexico. The Applicant seeks an order requiring McKay Oil Corporation to bring its West Fork Federal Unit Well No. 4 (API No. 30-005-6281), located 1650 feet from the South and West lines of Section 32, Township 4 South, Range 22 East, in Chaves County, New Mexico into compliance with OCD Rule 201.B by either restoring said well to production or beneficial use, plugging and

Examiner Hearing – August 1, 2002
Docket No. 23-02
Page 6 of 18

abandoning said well or securing Division approval for temporary abandonment thereof.

CASE 12896: Application of the New Mexico Oil Conservation Division for an Order Requiring Xeric Oil & Gas Corporation to Bring One Hundred Twenty-Five (125) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Eddy Counties, New Mexico. The Applicant seeks an order requiring Xeric Oil & Gas Corporation to bring 125 inactive wells located in Lea, Roosevelt and Eddy Counties, New Mexico into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof, and seeks civil penalties. The affected wells are the following:

In Lea County, New Mexico:

<u>API #</u>	<u>WELL NAME AND NUMBER</u>	<u>DISTRICT</u>	<u>COUNTY</u>	<u>TYPE</u>	<u>LAST PRODUCTION/ INJECTION</u>	<u>ULSTR</u>
30-025-03189	East Pearl Queen Unit #001	Hobbs	Lea	I	12-1992	B-22-19S-35E
30-025-03186	East Pearl Queen Unit #004	Hobbs	Lea	O	12-1992	E-22-19S-35E
30-025-03179	East Pearl Queen Unit #006	Hobbs	Lea	O	12-1992	G-22-19S-35E
30-025-03183	East Pearl Queen Unit #007	Hobbs	Lea	I	11-1990	J-22-19S-35E
30-025-03182	East Pearl Queen Unit #008	Hobbs	Lea	O	04-1990	K-22-19S-35E
30-025-03185	East Pearl Queen Unit #009	Hobbs	Lea	I	12-1992	L-22-19S-35E
30-025-03175	East Pearl Queen Unit #011	Hobbs	Lea	I	12-1992	N-21-19S-35E
30-025-03174	East Pearl Queen Unit #012	Hobbs	Lea	O	12-1992	O-21-19S-35E
30-025-03184	East Pearl Queen Unit #014	Hobbs	Lea	O	12-1989	M-22-19S-35E
30-025-03181	East Pearl Queen Unit #015	Hobbs	Lea	I	12-1992	N-22-19S-35E
30-025-03180	East Pearl Queen Unit #016	Hobbs	Lea	O	07-1986	O-22-19S-35E
30-025-03188	East Pearl Queen Unit #017	Hobbs	Lea	I	12-1992	P-22-19S-35E
30-025-03216	East Pearl Queen Unit #018	Hobbs	Lea	I	12-1992	B-27-19S-35E
30-025-03217	East Pearl Queen Unit #020	Hobbs	Lea	I	08-1996	D-27-19S-35E
30-025-03237	East Pearl Queen Unit #021	Hobbs	Lea	O	12-1992	A-28-19S-35E
30-025-03235	East Pearl Queen Unit #022	Hobbs	Lea	I	12-1992	B-28-19S-35E
30-025-03236	East Pearl Queen Unit #023	Hobbs	Lea	I	12-1992	G-28-19S-35E
30-025-03238	East Pearl Queen Unit #024	Hobbs	Lea	I	12-1992	H-28-19S-35E
30-025-03222	East Pearl Queen Unit #026	Hobbs	Lea	I	05-1990	F-27-19S-35E
30-025-03215	East Pearl Queen Unit #028	Hobbs	Lea	I	12-1992	H-27-19S-35E
30-025-03213	East Pearl Queen Unit #030	Hobbs	Lea	O	12-1989	I-27-19S-35E
30-025-03220	East Pearl Queen Unit #032	Hobbs	Lea	I	11-1992	K-27-19S-35E
30-025-03219	East Pearl Queen Unit #037	Hobbs	Lea	O	12-1992	O-27-19S-35E
30-025-03295	East Pearl Queen Unit #039	Hobbs	Lea	O	04-1990	A-34-19S-35E
30-025-03299	East Pearl Queen Unit #041	Hobbs	Lea	I	07-1994	C-34-19S-35E
30-025-03298	East Pearl Queen Unit #042	Hobbs	Lea	I	02-1994	D-34-19S-35E
30-025-03301	East Pearl Queen Unit #043	Hobbs	Lea	I	01-1993	E-34-19S-35E
30-025-03300	East Pearl Queen Unit #044	Hobbs	Lea	I	12-1992	F-34-19S-35E
30-025-03296	East Pearl Queen Unit #045	Hobbs	Lea	O	07-1973	G-34-19S-35E
30-025-03302	East Pearl Queen Unit #046	Hobbs	Lea	I	12-1992	H-34-19S-35E
30-025-03303	East Pearl Queen Unit #049	Hobbs	Lea	I	12-1992	J-34-19S-35E