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Michael H. Feldewert

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May 3, 2001

**HAND-DELIVERED**

Lori Wrottenbery, Director  
Oil Conservation Division  
New Mexico Energy, Minerals &  
Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87504

01 MAY - 3 PM 3:40  
OIL CONSERVATION DIV.

**Re: Case No. 12601, Lea County, NM  
Application of Bettis, Boyle & Stovall to Re-open  
Order No. R-11573 to amend the spacing units and to  
address the appropriate royalty burdens on the well  
for purposes of the charge for risk involved in drilling  
said well.**

Dear Ms. Wrottenbery :

Bettis, Boyle & Stovall, the applicant in the above referenced matter, requests that Case No. 12601 be re-opened and placed on the docket for the May 31, 2001 Examiner hearings for the purpose of amending Order No. R-11573 to address the appropriate royalty burdens on the proposed well for purposes of the non-consent penalty.

A proposed advertisement is attached hereto.

Sincerely,



Michael H. Feldewert

MHF

cc: Michael Stogner, Hearing Examiner  
Mark Maloney

HOLLAND & HART<sup>LLP</sup>  
ATTORNEYS AT LAW

Lori Wrotenbery  
May 3, 2001  
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**CASE 12601:**      **(Re-opened and Re-advertised) Application of Bettis, Boyle & Stovall to Re-open Order No. R-11573 to address the appropriate royalty burdens on the proposed well for purposes of the charge for risk involved in drilling said well, Lea County, New Mexico.** Applicant seeks an amendment to Order No. R-11573 pooling all mineral interests from the surface to the base of the Bough C formation in the following described spacing and proration units located in Section 30, Township 9 South, Range 33 East: Lots 3 and 4 (W/2 SW/4 equivalent) which includes but is not necessarily limited to the Undesignated Flying "M" - San Andres Pool; and Lot 3 (NW/4 SW/4 equivalent) which includes but is not necessarily limited to the South Flying "M" - Bough Pool. Said units are presently dedicated to a well to be drilled at a standard location in the NW/4 SW/4 of said Section 30 to a depth sufficient to test all formations from the surface to the base of the Bough C formation. To be considered will be the appropriate royalty burdens on the proposed well for purposes of the charge for risk involved in drilling said well. Said area is located approximately 8 miles northeast of Caprock, New Mexico.

**DOCKET: EXAMINER HEARING - THURSDAY – May 31, 2001**  
**8:15 A.M. - 1220 South St. Francis**  
**Santa Fe, New Mexico**

Docket Nos. 19-01 and 20-01 are tentatively set for June 14, 2001 and June 28, 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 12646:** Continued from May 17, 2001, Examiner Hearing.

**Application of Strata Production Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 160-acre spacing underlying the NW/4 of Section 15, Township 24 South, Range 34, East. Applicant proposes to dedicate the above-described spacing or proration unit to its Buckeye No. 1 well to be reentered at a standard location 660 feet from the North line and 1980 feet from the West line of Section 15, to a depth sufficient to test any and all formations down to the base of the Bone Spring Formation.

**CASE 12668:** **Application of Patterson Petroleum, LP for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following manner: the S/2 for all formations developed on 320-acre spacing, including but not necessarily limited to the undesignated Vacuum Morrow Gas Pool; the SE/4 for all formations developed on 160-acre spacing; and the SW/4 SE/4 for all formations developed on 40-acre spacing, including but not necessarily limited to the undesignated East Corbin-Wolfcamp, the undesignated EK Yates-Seven Rivers Queen, the undesignated Corbin-Abo, the undesignated North Vacuum-Abo, and the undesignated Vacuum Grayburg San Andres Pools, all in Section 31, Township 17 South, Range 34 East. Applicant proposes to dedicate these pooled units to its proposed Gach "31" State Well No. 1, to be drilled at a standard gas well location in the SW/4 SE/4 of said Section 31. 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 4.5 miles southwest of Buckeye, New Mexico.

**CASE 12660:** Continued from May 17, 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 21, Township 16 South, Range 37 East, in the following manner: the N/2 SE/4 to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre gas spacing within said vertical extent including but not limited to the Northeast Lovington-Upper Pennsylvanian Pool; and the NE/4 SE/4 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. This unit(s) is to be dedicated to its Nellie "21" Well No. 1 which will be located at a standard well location in Unit I of this section. 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(s) is located approximately 6 miles southeast of the center of the City of Lovington, New Mexico.

**CASE 12669:** **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 Mississippian formation underlying the following described acreage in Section 13, Township 15 South, Range 35 East, in the following manner: (a) 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 gas spacing within that vertical extent,

**Examiner Hearing – May 31, 2001**  
**Docket No. 18-01**  
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including the Southwest Austin-Mississippian Gas Pool; (b) 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 gas spacing within said vertical extent; and (c) the SW/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent, including the Southwest Austin-Wolfcamp Pool. This unit(s) is to be dedicated to its Alice "13" Well No. 1 which will be located at a standard location within Unit O of this section. 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 north of the center of the City of Lovington, New Mexico.

**CASE 12670:** **Application of Matador Petroleum Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Tubb formation underlying the S/2 NW/4 of Section 35, Township 19 South, Range 37 East, 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 but not limited to the Monument-Tubb Pool. This unit is to be dedicated to its proposed Shelley State "34" Well No. 2 to be drilled and completed at a standard oil well location in Unit F of this section. 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 the applicant as the operator of this spacing unit and this well and a charge for risk involved in this well. This unit is located approximately 2-1/2 miles east-southeast of Monument, New Mexico.

**CASE 12652:** **Continued from May 17, 2001, Examiner Hearing.**

**Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy County, New Mexico.** Applicant, in accordance with Division Rule 1207.A(1)(b), seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 21, Township 17 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools spaced on 320-acre spacing, including but not limited to the Empire-Pennsylvanian Gas Pool. This unit is to be dedicated to its PIB Well No. 1 which was drilled and completed at a standard well location in Unit G of this section. This unit is located approximately 11 miles east of Artesia, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 12671:** **Application of Chevron U.S.A., Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations and pools developed on 80-acre spacing in the W/2 NW/4 and for all formations and pools developed on 40-acre spacing in the SW/4 NW/4 of Section 35, Township 19 South, Range 37 East. Said units are to be dedicated to a well to be drilled at a standard location in the SW/4 NW/4 of said Section 35 to a depth sufficient to test all formations from the surface to the base of the Tubb formation, undesignated Monument-Tubb 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 of the well and a charge for risk involved in drilling said well. Said area is located approximately 2.5 miles East Southeast of Monument, New Mexico.

**CASE 12320: Continued from May 3, 2001, 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 12648: Continued from May 17, 2001, Examiner Hearing.**

**Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation in all formations developed on 320-acre spacing underlying the S/2 which include but are not necessarily limited to the Undesignated East Red Tank-Cisco Gas Pool, Undesignated East Red Tank-Atoka Gas Pool, Undesignated East Red Tank-Morrow Gas Pool and Undesignated Bootleg Ridge-Morrow Gas Pool; in all formations developed on 160-acre spacing underlying the SW/4; and in all formations developed on 40-acre spacing underlying the SW/4 SW/4 which include but are not necessarily limited to the West Red Tank-Delaware Pool and the Red Tank-Bone Spring Pool; all in Section 24, Township 22 South, Range 32 East. Applicant proposes to dedicate the pooled units to its Red Tank "24" Federal Well No. 3 to be drilled at a standard gas well location 660 feet from the South and West lines of said Section 24. 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 13 miles southeast of the intersection of State Highway 176 and U. S. Highway 62/180.

**CASE 12387: Reopened**

In the matter of Case 12387 being reopened pursuant to the provisions of Division Order No. R-11374, which order promulgated temporary special pool rules for the Southeast Arena Blanca-Entrada Pool in Sandoval County, New Mexico, including provisions for 160-acre spacing and proration units and designated well locations. Operators in the Southeast Arena Blanca-Entrada Pool shall appear and show cause why the temporary special rules for the pool should not be rescinded.

**CASE 12672: Application of Amoco Production Company for an exception to the well density and location provisions of the special rules governing the Basin-Dakota Pool, San Juan County, New Mexico.** The applicant in this matter proposes to drill its Florance Well No. 117-M 2380 feet from the South line and 1790 feet from the East line (Lot 10/Unit J) of Section 35, Township 29 North, Range 9

West, as an infill gas well in the Basin-Dakota Pool within an existing standard 306.35-acre stand-up gas spacing and proration unit comprising Lots 1, 2, 7, 8, 9, 10, 15, and 16 (E/2 equivalent) of Section 35 (which is located approximately 13 miles east of Bloomfield, New Mexico. Applicant seeks an exception to the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by Division Order No. R-10987-B, as amended by Division Order No. R-10987-B (1), in order to drill and complete the proposed Florance Well No. 117-M within the same quarter section as the above-described Florance Well No. 117.

**CASE 12552: Continued from May 3, 2001, Examiner Hearing.**

**Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation underlying the S/2 of Section 23, Township 22 South, Range 32 East, for all formations and/or pools developed on 320-acre spacing which includes but it not necessarily limited to the Undesignated Bootleg-Ridge Morrow Gas Pool and the Undesignated East Red Tank-Atoka Gas Pool. Applicant proposes to dedicate the pooled units to its Red Tank "23" Federal Com Well No. 1 to be drilled at a standard gas well location in the NW/4 SE/4 of Section 23. 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 30 miles west of Eunice, New Mexico.

**CASE 12673: 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 Bone Spring formation to the top 150 feet of the Mississippian formation underlying the E/2 of Section 8, Township 18 South, Range 31 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 North Shugart-Morrow Gas Pool. The unit is to be dedicated to applicant's Fren "8" Fed. Com. Well No. 2, to be drilled at an orthodox location in the NE/4 NE/4 of Section 8. 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 6½ miles southeast of Loco Hills, New Mexico.

**CASE 12674: 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 12654:** Continued from May 17, 2001, Examiner Hearing.

**Application of Chi Energy, 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 9, Township 22 South, Range 25 East, in the following manner: The W/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 Undesignated Revelation-Strawn Gas Pool and Undesignated Revelation-Morrow Gas Pool; 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; and the NE/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to applicant's In Bounds Well No. 1, to be drilled at an orthodox location in the NE/4 SW/4 of Section 9. 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 west-southwest of Carlsbad, New Mexico.

**CASE 12675:** **Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling and unorthodox well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests underlying the W/2 of Section 31, Township 16 South, Range 36 East for all formations and/or pools developed on 320-acre spacing which presently include but are not necessarily limited to the Undesignated East Shoe Bar-Chester Gas Pool. Said unit is to be dedicated to applicant's proposed Double Hackle "31" State Com. Well No. 1 to be located at an unorthodox location 2400 feet from the South line and 1340 feet from the West line (Unit K) of said section at a depth sufficient to test all formations from the surface to the base of the Mississippian formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, 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 4 miles southwest of Lovington, New Mexico.

*De Novo*

**CASE 12601:** ~~(Reopened)~~ **Application of Bettis, Boyle & Stovall to Reopen Case 12601 and amend Order No. R-11573 to address the appropriate royalty burdens on the proposed well for purposes of the charge for risk involved in drilling said well, Lea County, New Mexico.** Applicant seeks an amendment to Order No. R-11573 pooling all mineral interests from the surface to the base of the Bough C formation in the following described spacing and proration units located in Section 30, Township 9 South, Range 33 East: Lots 3 and 4 (W/2 SW/4 equivalent) which includes but is not necessarily limited to the Undesignated Flying "M" - San Andres Pool; and Lot 3 (NW/4 SW/4 equivalent) which includes but is not necessarily limited to the South Flying "M" - Bough Pool. Said units are presently dedicated to a well to be drilled at a standard location in the NW/4 SW/4 of said Section 30 to a depth sufficient to test all formations from the surface to the base of the Bough C formation. To be considered will be the appropriate royalty burdens on the proposed well for purposes of the charge for risk involved in drilling said well. Said area is located approximately 8 miles northeast of Caprock, New Mexico.

**CASE 12643:** **(Reopened) Application of Richardson Production Company to Reopen Case 12643 for the purpose of amending Order No. R-11577 by reconsidering the charge for risk involved in drilling a well in the Basin-Fruitland Coal (Gas) Pool and the TwinMounds-Fruitland Sand-**

*Upon application of Sun-West Oil and Gas, Inc., this case will be heard De Novo pursuant to the provisions of Division Rule 1220.*

**Pictured Cliffs Pool, San Juan County, New Mexico.** Applicant seeks an amendment to Order No. R-11577 pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in the following described spacing and proration units in Section 8, Township 29 North, Range 14 West: The S/2 which includes the Basin-Fruitland Coal (Gas) Pool and the SW/4 which includes the Twin Mounds-Fruitland Sand-Pictured Cliffs Pool. Said units are presently dedicated to the ROPCO "8" Well No. 3 to be drilled at a standard location in the SW/4 SW/4 (Unit M) of said Section 8 to a depth sufficient to test the Pictured Cliffs formation. To be considered will be the appropriate charge for risk involved in drilling said well. Said area is located approximately 2 miles northeast of Kirtland, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 12644:** (Reopened) **Application of Richardson Production Company to Reopen Case 12644 for the purpose of amending Order No. R-11578 by reconsidering the charge for risk involved in drilling a well in the Twin Mounds-Fruitland Sand-Pictured Cliffs Pool, San Juan County, New Mexico.** Applicant seeks an amendment to Order No. R-11578 pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in the following gas spacing and proration unit: SE/4 of Section 8, Township 29 North, Range 14 West which includes the Twin Mounds-Fruitland Sand-Pictured Cliffs Pool. Said unit is dedicated to the ROPCO "8" Well No. 4 to be drilled at a standard location in the NW/4 SE/4 (Unit J) of said Section 8 to a depth sufficient to test the Pictured Cliffs formation. To be considered will be the appropriate charge for risk involved in drilling said well. Said area is located approximately 2 miles northeast of Kirtland, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 12619:** **Continued from May 17, 2001, Examiner Hearing.**

**Application of Pogo Producing Company for an unorthodox location, Lea County, New Mexico.** Applicant seeks authorization to directionally drill its WBR Fed. Com. Well No. 5 to the Morrow formation (Undesignated Bootleg Ridge-Morrow Gas Pool) to an unorthodox gas well location 330 feet from the South line and 2270 feet (+50 feet) from the West line of Section 13, Township 22 South, Range 32 East. The S/2 of Section 13 will be dedicated to the well. The surface location of the well is 660 feet from the South line and 2310 feet from the West line, approved by Division Administrative Order NSL-4523. The unit is located approximately 13 miles southeast of the intersection of State Highway 176 and U.S. Highway 62/180.

**CASE 12627:** **Continued from May 17, 2001, Examiner Hearing.**

**Application of Pogo Producing Company for compulsory pooling, Lea 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 23, Township 22 South, Range 32 East: 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; and 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 East Red Tank-Cisco Canyon Gas Pool, Undesignated East Red Tank-Atoka Gas Pool, Undesignated East Red Tank-Morrow Gas Pool, and Undesignated Bootleg Ridge-Morrow Gas Pool. The units are to be dedicated to a well to be drilled at an orthodox location in the NE/4 SE/4 of Section 23. **IN THE ALTERNATIVE**, applicant requests that the S/2 of Section 23 be dedicated to the well for all pools or formations developed on 320-acre spacing within that vertical extent, including those described above. 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 12½ miles southeast of the intersection of State Highway 176 and U.S. Highway 62/180.

**CASE 12628: Continued from May 17, 2001, Examiner Hearing.**

**Application of Pogo Producing Company for compulsory pooling, Lea 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 24, Township 22 South, Range 32 East: 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 Undesignated East Red Tank-Cisco Canyon Gas Pool, Undesignated East Red Tank-Atoka Gas Pool, Undesignated East Red Tank-Morrow Gas Pool, and Undesignated Bootleg Ridge-Morrow Gas Pool; 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; and the NW/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the West Red Tank-Delaware Pool and Red Tank-Bone Spring Pool. The units are to be dedicated to a well to be drilled at an orthodox location in the NW/4 SW/4 of Section 24. 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 13 miles southeast of the intersection of State Highway 176 and U.S. Highway 62/180.

**CASE 12655: Continued from May 17, 2001, Examiner Hearing.**

**Application of C. W. Trainer for compulsory pooling, Lea 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 24, Township 22 South, Range 32 East: 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 undesignated East Red Tank-Cisco Canyon Gas Pool, the undesignated East Red Tank-Atoka Gas Pool, the undesignated East Red Tank-Morrow Gas Pool, and the undesignated Bootleg Ridge-Morrow Pool; 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 the vertical extent; and the NW/4 SW/4 to form a standard 40-acre spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the West Red Tank-Delaware Pool and the Red Tank-Bone Springs Pool. The units are to be dedicated to a well located in the NW/4 SW/4 of Section 24. Also to be considered will be the cost of drilling and completing the well and the allocation of costs thereof, as well as the actual operating costs and charges for supervision, designation of the Applicant as operator of the well, and a charge for the risk of drilling and completing the well. The units are located approximately 13 miles southeast of the intersection of State Highway 176 and U. S. Highway 62-180.

**CASE 12667: Continued from May 17, 2001, Examiner Hearing.**

**Application of Doyle Hartman, Oil Operator for Correction of Division Order No. R-3621, Lea County, New Mexico.** Applicant seeks to correct Division Order No. R-3621, entered in Case No. 3978 on December 9, 1968 to reflect the true injection interval in the McKinney State Well No. 1, a produced water disposal well located 660 feet from the North line and 660 feet from the East line (Unit A) of Section 36, Township 24 South, Range 36 East, as being the open-hole interval from a

depth of 3,148 feet to 3,490 feet. This well is located approximately 5 miles Northwest of Jal, New Mexico.

**CASE 12563: Continued from March 22, 2001, Examiner Hearing.**

**Application of the New Mexico Oil Conservation Division for termination of gas prorationing in the Jalmat and Eumont Gas Pools and to amend the special rules governing both pools, Lea County, New Mexico.** Applicant seeks to terminate gas prorationing in the Jalmat and Eumont Gas Pools and to exclude both pools from the provisions of Division Rules 601 through 605 (Gas Proration Rules). Once gas prorationing is terminated, it will be necessary to amend the special rules and regulations currently governing both pools (set forth in Division Order No. R-8170, as amended) by whatever means may be necessary to prevent waste, maintain orderly development, and to protect correlative rights of interest owners. The combined area of both pools currently encompasses a relatively large geographical area in Townships 18, 19, 20, 21, 22, 23, 24, 25, and 26 South, Ranges 35, 36, 37, and 38 East, which can roughly be described as an area that extends three to ten miles east and west of a line between Arkansas Junction and Jal.