

NM -

14

ORDER

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION ON
ITS OWN MOTION TO PERMIT OIL PROCESSING
INC., THE TRAVELERS, AND OTHER INTERESTED
PARTIES TO APPEAR AND SHOW CAUSE WHY
THEIR AUTHORITY UNDER ORDER NO. R-6053
TO OPERATE AN OIL TREATING PLANT LOCATED
IN THE NE/4 SE/4 OF SECTION 8, TOWNSHIP
20 SOUTH, RANGE 37 EAST, LEA COUNTY,
NEW MEXICO, SHOULD NOT BE CANCELLED AND
WHY THE SITE OF SUCH PLANT SHOULD NOT
BE RECLAIMED.

CASE NO. 8983
Order No. R-6053-A

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on December 3, 1986, at Santa Fe, New Mexico, before Examiner Michael E. Stogner

NOW, on this 31st day of December 1986, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) By Division Order No. R-6053 dated July 10, 1979, Oil Processing, Inc. was given authority to operate an oil treating plant located in the NE/4 SE/4 of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) The Travelers is the surety on the Oil Conservation Division treating plant bond on which Oil Processing, Inc. is the principal.

(4) The purpose of said bond is to assure the State that the subject site will be properly and satisfactorily cleared and reclaimed upon cessation of operations

(5) Prior to this hearing Oil Processing, Inc. was no longer operating and has apparently abandoned said oil treating facility.

(6) No representative from either Oil Processing, Inc. or The Travelers appeared at the hearing to show cause why their authority under Division Order No. R-6053 should not be rescinded.

(7) The current condition of said oil treating facility is such that fresh waters may be contaminated if action is not taken to properly clear and reclaim the site.

(8) Division Order No. R-6053 should therefore be rescinded.

(9) Said treating site should be cleared and reclaimed in accordance with Division General Rule 312(h).

IT IS THEREFORE ORDERED THAT:

(1) Division Order No. R-6053, dated July 10, 1979, which authorized Oil Processing, Inc. to operate an oil treating plant located in the NE/4 SE/4 of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico, is hereby rescinded.

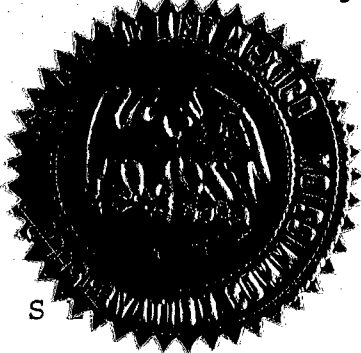
(2) Oil Processing, Inc. and The Travelers are hereby ordered to clear and reclaim the treating plant site in accordance with Division General Rule 312(h).

(3) Should Oil Processing, Inc. and/or The Travelers fail or refuse to clear and reclaim said site with the terms of this Order and Rule 312(h), the Division shall take such steps as are necessary to have the site cleared and reclaimed.

(4) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Case No. 8983
Order No. R-6053-A
-3-

DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS
DIRECTOR



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

February 26, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Mr. Jimmie T. Cooper
Box 55
Monument, NM 88265

RE: Oil Processing, Inc.
Items Purchased at the Sheriff Sale
SE/4 of Section 8, Township 20 South, Range 37 East, NMPM,
Lea County, New Mexico

Dear Mr. Cooper:

During our phone conversation on February 19, 2003 you mentioned several items that were purchased at a Sheriffs sale at the Oil Processing, Inc. treating plant located in the SE/4 of Section 8, Township 20 South, Range 37 East, NMPM, Lea County, New Mexico. The items that you mentioned were a steam boiler, a LACT unit, a little building, 2-1000 bbl tanks and 3-500 bbl tanks.

If you would please provide a receipt for the items that were purchased at the Sheriffs sale and note on the sketch map enclosed exactly those items that were purchased. This will enable me to prepare a scope of work for the removal of the remaining tanks, equipment and trash and to better assess the scope of the investigation and cleanup.

Thank you for your consideration in this matter.

Sincerely,

Martyne J. Kieling
Environmental Geologist

xc: Hobbs:OCD
File 711-041

FILED
Hobbs
OCD
FEB 28 2003



OIL PROCESSING SITE 2-18-03

UL I SEC 8 T-205 R-37E

2.7 MILE S OF MONUMENT, N.M.

JUNK UNIT

INCLUDED HI 210 BBL

BOLTED LO 250

BOLTED HI 500 BBL

FOAM COATED HI 750 BBL

WELLED HI 500 BBL W/ WALKWAYS

BOLTED HI 500

LO 250 BOLTED

BOLTED LO 250

BOLTED HI 500

JUNK TRAP ETC

15X20 JUNK BUILDING/SHED

FENCED AREA (APPROX 3 ACRES)

6X30 HORIZONTAL HEATER

ENCLOSED LACT UNIT

20X30 OFFICE BLDG

WINDMILL TOWER

LEASE ROADWAY

PARAFFIN PROCESSING SITE (APPROX 3+ ACRES UNFENCED)

0 ADD WATER WELL

FOAM COATED HI 500 BBL

50X50 CONCRETE SLAB

SMALL JUNK PILE

10'X12' CEMENT FOOTING FRAME

FOAM COATED LO 250 BBL

JUNK PILE DRUMS, CAR BODIES, PIPE, ETC

PARTIALLY BURIED BOLTED LO 250 BBL SLOP TANKS

STEEL PLATE 50' X 8' X 20' X 10' LONG SET ON NORTH END OF CONCRETE

36X20' CONCRETE PAD

PURIFIED PARAFFIN FILLS SCATTERED ON & AROUND PAD

LARRY JOHNSON 2/18/03

FILED
HOBBS
000

TEMPORARY GRANT OF EASEMENT

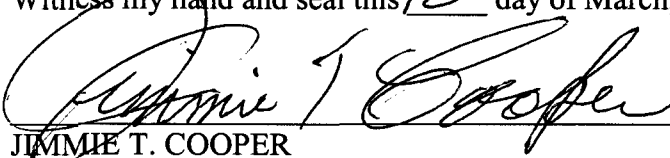
JIMMIE T. COOPER and BETTY B. COOPER, husband and wife, P.O. Box 55, Monument, New Mexico, 88265, for consideration, grant to the NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES ("EMNRD") and its OIL CONSERVATION DIVISION, their agents, employees and contractors, a temporary and limited easement in, to, upon and over all that portion of the following described real estate in Lea County, New Mexico, together with reasonable access thereto:

The southeast quarter (SE/4) of Section 8, Township 20 South (T. 20 S.), Range 37 East (R. 37 E.), N.M.P.M., Lea County, New Mexico

Subject to reservations, restrictions and easements appearing of record.

Said easement is given for the purpose of conducting an investigation and remediation of contamination believed to exist at the site of the abandoned Oil Processing, Inc. Treating Plant located on the property described herein, which investigation may include drilling, constructing and maintaining upon the premises a monitor well or wells with which the Oil Conservation Division will use to assess and monitor contaminants believed to exist below the surface, routine visits to the site, ingress and egress to the site, sampling and inspecting the aforementioned monitor wells following initial construction, excavation of the property to investigate the nature and extent of contaminants believed to exist, construction of temporary roadways to facilitate any necessary investigation and remediation, excavation of the site to remove and/or remediate any contamination found, and other activities inherent in the aforesaid investigation and remediation. Said easement shall terminate when the Division files a notice that it has concluded its investigation and remediation activities at the site.

Witness my hand and seal this 12th day of March, 2003.


JIMMIE T. COOPER

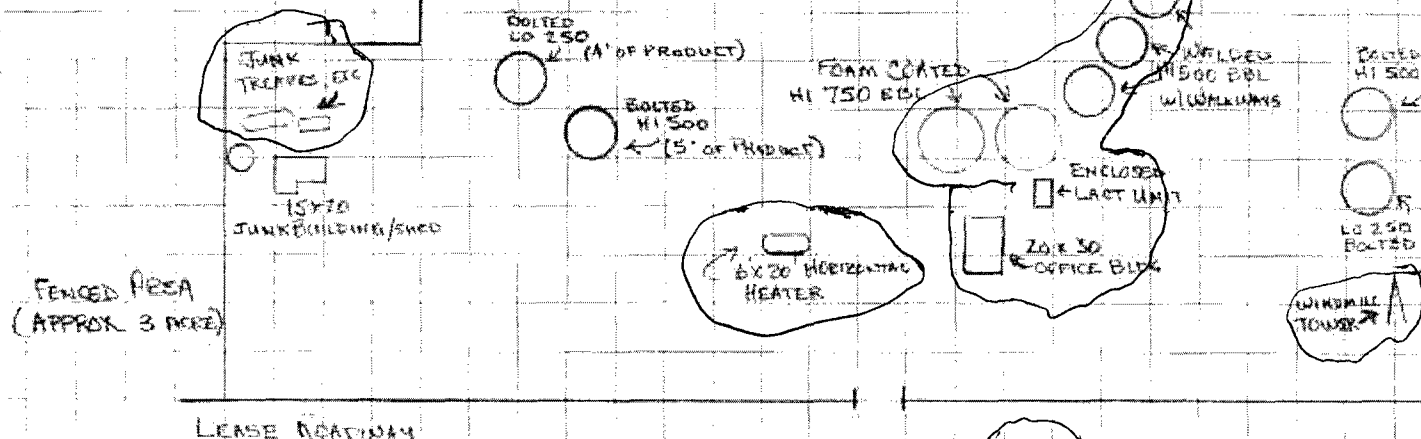

BETTY B. COOPER



OIL PROCESSING SITE 2-18-03

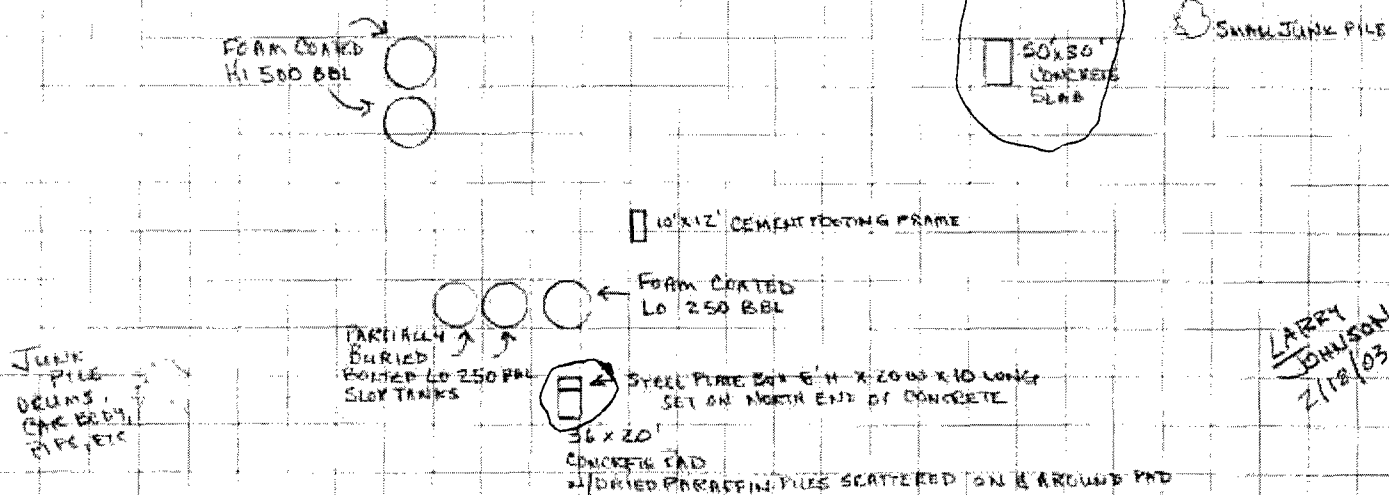
UL I SEC 8 T-205 R-37E

2.7 MILE S OF MONUMENT, NM



LEASE ROADWAY

PARAFFIN PROCESSING SITE (APPROX 3+ ACRES UNFENCED)



JUNK PILE
DRUMS,
CAR BODY,
PIPE, ETC

PARTIALLY
BURIED
BOLTED LO 250 BBL
SLOP TANKS

10'x12' CEMENT FOOTING FRAME

FOAM COATED
LO 250 BBL

STEEL PLATE 24' 6" H X 20' 0" X 10' LONG
SET ON NORTH END OF CONCRETE

36x20'
CONCRETE PAD

DRIED PARAFFIN PILES SCATTERED ON & AROUND PAD

0 ABD.
WATER WELL

50x50'
CONCRETE
SLAB

SMALL JUNK PILE

LARRY
JOHNSON
2/18/03

MELINDA HUGHES
LEA COUNTY CLERK
P.O. BOX 1507
LOVINGTON, N.M. 88260
505-396-8615 FAX: 505-396-3293

CUSTOMER COPY

Date 04/11/2003 Time 11: 13 PM Receipt # 58200

The Lea County Clerk has received the sum of \$*****0.00

Reception Numbers 000036596

From-OIL CONSERVATION DISTRICT

By-PAC

Ch#

BK 1217 PC 812

ONE TEMP EASEMENT

RECEIVED

TEMPORARY GRANT OF EASEMENT

APR 24 2003

JIMMIE T. COOPER and BETTY B. COOPER, husband and wife, P.O. Box 55, Monument, New Mexico, 88265, for consideration, grant to the NEW MEXICO OIL CONSERVATION DIVISION ENERGY, MINERALS AND NATURAL RESOURCES ("EMNRD") and its OIL CONSERVATION DIVISION, their agents, employees and contractors, a temporary and limited easement in, to, upon and over all that portion of the following described real estate in Lea County, New Mexico, together with reasonable access thereto:

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Witness my hand and seal this 3 day of April, 2003.


JIMMIE T. COOPER


BETTY B. COOPER

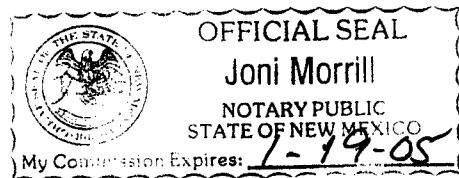
ACKNOWLEDGEMENTS

STATE OF NEW MEXICO)
COUNTY OF LEA)

The foregoing instrument was acknowledged before me this 3 day of April, 2003, by
JIMMIE T. COOPER

Joni Morrill
Notary Public

My commission expires:

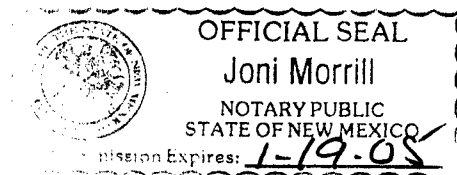


STATE OF NEW MEXICO)
COUNTY OF LEA)

The foregoing instrument was acknowledged before me this 3 day of April, 2003, by
BETTY B. COOPER

Joni Morrill
Notary Public

My commission expires:



STATE OF NEW MEXICO
COUNTY OF LEA
FILED

at 11:13 o'clock A M
and recorded in Book 1217
Page 812
Melinda Hughes, Lea County Clerk
By C. R. R. R. Deputy

36596

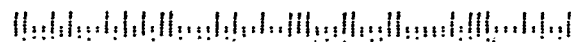


MELINDA
HUGHES
LEA COUNTY CLERK
P.O. BOX 1507
LOVINGTON, NEW MEXICO 88260

State of New Mexico
Oil Conservation Division
Attn: David Brooks
1220 South St. Francis Drive
Santa Fe, NM 87505



4780834000 0011



TEMPORARY GRANT OF EASEMENT

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Witness my hand and seal this _____ day of February, 2003.

JIMMIE T. COOPER

BETTY B. COOPER

ACKNOWLEDGEMENTS

STATE OF NEW MEXICO)
)
COUNTY OF LEA)

The foregoing instrument was acknowledged before me this ____ day of February, 2003, by
JIMMIE T. COOPER

Notary Public

My commission expires:

STATE OF NEW MEXICO)
)
COUNTY OF LEA)

The foregoing instrument was acknowledged before me this ____ day of February, 2003, by
BETTY B. COOPER

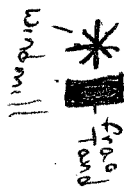
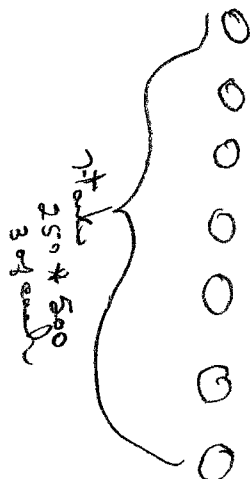
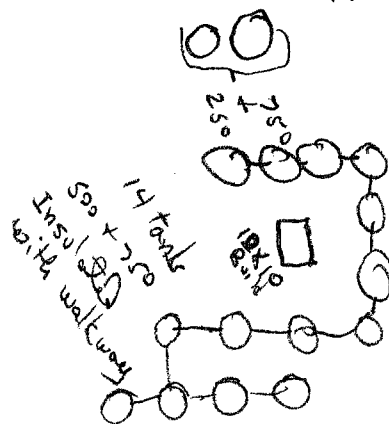
Notary Public

My commission expires:

Oil Processing

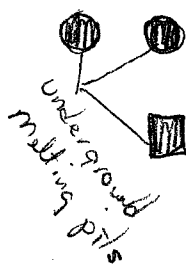
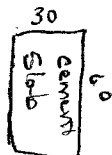
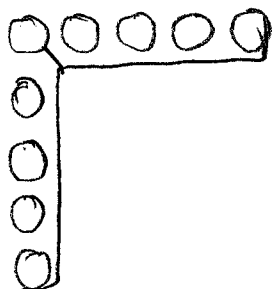
5-13-86

4x20
500/c
asst. Tank



Both Areas Cover approx 5 to 7 acres

9-500
tanks



Pile of oil dirt

Tanks, Pumps, Boulders
a Bus etc.



One Tower Square
Bond 14CZ
Hartford, CT 06183
860-277-4275
Fax: 860-277-5722

February 24, 2003

New Mexico Energy, Minerals &
Natural Resources Department
ATTN: Martyne J. Kieling, Environmental Geologist
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Principal: Oil Processing, Inc.
Bond No: 862E405A

SE/4 Section 8, Township 20 South, Range 37 East, NMPM
Lee County, New Mexico

Dear Ms. Kieling:

This will serve to acknowledge the receipt of your February 7, 2003 letter to Ms. Reidenbach here in Hartford regarding the above noted matter. Please address any future correspondence regarding the matter to my attention at the above address.

We have been unable to locate our underwriting file pertaining to this matter. We need to see if we can communicate with our principal concerning the demand for payment. We will advise you of our position as soon as possible.

In the meantime, since our information is limited, our attention to this matter is without prejudice to the interests of the principal or surety. Please be advised that Travelers Casualty and Surety Company ("Travelers"), fully reserves all rights, remedies, and defenses in this matter. Neither this letter, nor any actions by Travelers or any of its agents, shall constitute, or be deemed a waiver, estoppel, admission of liability or prejudice of any kind to Travelers' rights and defenses under the Bond, by law, or otherwise.

Please call me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be "Bob Boldt".

Bob Boldt
Manager, Surety
Travelers Indemnity Company

I obtained my bachelors degree in Geological Science in 1991 from Central Washington University.

I earned my Graduate degree in Geology in 1994 from New Mexico State University.

I worked for the New Mexico State Environment Department Hazardous Waste Bureau in 1995 through 1997

Oil Conservation Division Environmental Bureau in 1997 to present.

Working title is Environmental Geologist.

Larry Johnson

505-393-6161

ext 111

or 505-631-5284

Cell

Kieling, Martyne

From: Brooks, David K
Sent: Monday, May 19, 2003 12:43 PM
To: Kieling, Martyne
Subject: Surface Waste Management Facility Permit Revocations

Martyne

These 3 cases are set for Thursday.

We have to prove

1. there has been no significant activity at the site for 6 months
2. sending of the subparagraph D(2) notice
3. that permittee has not responded to the notice.

To prove 1, in view of travel restrictions, presumably someone from Hobbs should be sent to examine present condition. Whoever was last out there - you or whoever - could testify to condition on last observation.

You can presumably testify to 2 and 3.

Can you coordinate with Hobbs to get someone to go out for a current look?

I will need copies of the permits and of the notices and return receipts, if any, as exhibits.

Thanx

DB

- 1) Order
- 2) Letter Notification
- 3) Letter Returned envelope or card
- 4) Photos

My Credentials

Centers, Bachelors Geology 1991
NMSU, Masters Geology 1993
Taught, ~~Geology~~ Geology classes at NMSU
New Mexico Env Dept for 1994-1997

OCD 1997 to Present
Env Bureau

New Mexico Geology Society 1991

DOCKET: EXAMINER HEARING - THURSDAY - MAY 22, 2003

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

Santa Fe, New Mexico

Docket Nos. 16-03 and 18-03 are tentatively set for June 5, 2003 and June 19, 2003. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

8:20 am

CASE 13070: Application of Mack Energy Corporation for compulsory pooling of four 40-acre spacing and proration units, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to a depth of 5000 feet in the following described spacing and proration units located in the SW/4 of Section 31, Township 17 South, Range 32 East, for its Panther Federal Well Nos. 1, 3, 5, and 6:

NW/4 SW/4: Panther Federal Well No. 1,
(Lot 3) 1650 feet from the South line and 330 feet from the West line (Unit L),

NE/4 SW/4: Panther Federal Well No. 3
1650 feet from the South and West lines (Unit K),

SW/4 SW/4: Panther Federal Well No. 5
(Lot 4) 90 feet from the South and West lines (Unit M), and

SE/4 SW/4: Panther Federal Well No. 6
990 feet from the South line and 2310 feet from the West line (Unit N).

Applicant proposes to drill each well to test any and all formations from the surface to a depth of 5000 feet that are developed on 40-acre spacing under each quarter-quarter section which includes but is not necessarily limited to the Undesignated Yates-Maljamar Pool, Undesignated Pearsall-Seven Rivers Pool, Undesignated Pearsall-Queen Pool, and the Maljamar-Grayburg-San Andres Pool. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells. Said area is located approximately 5 miles Southwest of Maljamar, New Mexico.

cont

CASE 13045 (Reopened and Readvertised): Application of Yates Petroleum Corporation for an unorthodox infill oil well location, Chaves County, New Mexico. Applicant seeks an unorthodox infill oil well location in the Pecos Slope-Pennsylvanian Pool for its proposed George "QJ" Federal Well No. 11 to be drilled 2080 feet from the North line and 1350 feet from the West line (Unit F) of Section 26, Township 6 South, Range 25 East, which is located approximately 13.5 miles north of the Pecos River bridge on U. S. Highway 70. This location will be an exception to the well location requirements provided within the "(Temporary) Special Pool Rules for the Pecos Slope-Pennsylvanian Pool", as promulgated by Division Order No. R-11721, and made permanent by Division Order No. R-11721-A, for an infill oil well within an existing standard 320-acre stand-up oil spacing and proration unit comprising the W/2 of Section 26. This 320-acre Pennsylvanian oil unit is currently dedicated to the applicant's George "QJ" Federal Well No. 10 (API No. 30-005-63368), located at a standard oil well location 660 feet from the South line and 1500 feet from the West line (Unit N) of Section 26.

CASE 13052: Continued from April 24, 2003, Examiner Hearing.

Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Waylon State/Fee Exploratory Unit for an area comprising 2560.00 acres of State of New Mexico and fee lands in Sections 14, 15, 21 and 22 of Township 11 South, Range 34

East, which is located approximately 11 miles Northwest of Tatum, New Mexico.

Dis

CASE 13054: Continued from April 24, 2003, Examiner Hearing.

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in the following described spacing and proration units located in the W/2 of Section 33, Township 17 South, Range 26 East: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated East Eagle Creek Atoka-Morrow Gas Pool, the Kennedy Farms-Morrow Gas Pool, the Undesignated Eagle Creek-Strawn Gas Pool and the Undesignated Kennedy Farms-Upper Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the NE/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Three Mile-San Andres Pool. Said units are to be dedicated to its Harriett "BBT" Com Well No. 1 to be drilled at a standard gas well location 660 feet from the North line and 1930 feet from the West line (Unit C) of said Section 33. 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 16 miles west of Loco Hills, New Mexico.

10:00

CASE 13071: Application of MYCO Industries, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow Formation in the following described spacing and proration units located in the W/2 of Section 31, Township 21 South, Range 28 East: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the East Carlsbad-Morrow Gas Pool, Undesignated West Indian Flats-Atoka Gas Pool, Undesignated Tansill Dam-Atoka Gas Pool, East Carlsbad-Strawn Pool, and Undesignated East Carlsbad-Wolfcamp Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; and the NW/4 SW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Juneau "31" Fee Com Well No. 1 to be drilled at a standard gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) 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 1.4 miles southwest of mile marker 42.5 on Highway 62-180 east of Carlsbad, New Mexico.

10:00?

CASE 13072: Application of MYCO Industries, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow Formation in the following described spacing and proration units located in the E/2 of Section 31, Township 21 South, Range 28 East: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the East Carlsbad-Morrow Gas Pool, Undesignated West Indian Flats-Atoka Gas Pool, Undesignated Tansill Dam-Atoka Gas Pool, East Carlsbad-Strawn Pool, and Undesignated East Carlsbad-Wolfcamp 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. Said units are to be dedicated to its Panther City "31" Federal Com Well No. 1 to be drilled at a standard gas well location 882 feet from the South line and 660 feet from the East line (Unit P) 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 1.5 miles Southeast of mile marker 42.5 on Highway 62-180 east of Carlsbad, New Mexico.

End 10:15

CASE 13073: 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 Mississippian Chester

formation in Lots 3 and 4, E/2 SW/4 and SE/4 (S/2 equivalent) of Section 31, Township 15 South, Range 35 East, to form a 322.3-acre spacing unit for all formations developed on 320-acre spacing that includes but is not necessarily limited to the Undesignated Southwest Austin-Mississippian Gas Pool and the Undesignated Southwest Austin-Morrow Gas Pool. Applicant proposes to dedicate the pooled units to its Watson "31" Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1980 feet from the East line 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 5 miles northwest of Lovington, New Mexico.

CASE 13074: Application of NM&O Operating Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Undesignated Blanco-Mesaverde Gas Pool underlying the S/2 of Section 35, Township 25 North, Range 2 West. The unit is to be dedicated to the Hawk Federal Well No. 3, to be recompleted in the subject pool at an orthodox location in the NE/4 SW/4 of Section 35. Also to be considered will be the cost of recompleting 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 recompleting the well. The well unit is located approximately 4 miles North of Lindrith, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 13064: Continued from May 8, 2003, Examiner Hearing.

Application of Paladin Energy Corp. to Abolish Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool, Lea County, New Mexico. Applicant seeks to abolish the Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool located in portions of Sections 33 through 36 of Township 11 South, Range 33 East, and Sections 1 through 4, and 10 through 12 of Township 12 South, Range 33 East. Said pool is located approximately 17 miles west of Tatum, New Mexico.

cont **CASE 13040:** Continued from April 24, 2003, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for Approval of a Waterflood Project for its East Hobbs-Blinebry Pool Cooperative Waterflood Area and Qualification of said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its East Hobbs-Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry formation, East Hobbs- Blinebry Pool through one injection well located in the following described area:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM
Irregular Section 29: Lots 1, 2, 3 and 4 (E/2 equivalent), SW/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located on the New Mexico-Texas State line approximately 2 miles east of Hobbs, New Mexico.

cont **CASE 13075:** Application of Ricks Exploration Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NW/4 SW/4 of Section 23, Township 12 South, Range 38 East, 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,

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including the Undesignated Trinity-Wolfcamp Pool. The unit is to be dedicated to the Burrus 23 Well No. 1, to be drilled at an orthodox oil well location in the NW/4 SW/4 of Section 23. 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 14 miles east of Tatum, New Mexico.

Cont

CASE 13076: Application of Ricks Exploration Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NE/4 SE/4 of Section 35, Township 12 South, Range 38 East, 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 Bronco-Wolfcamp Pool. The unit is to be dedicated to the Harris 35 Well No. 1, to be drilled at an orthodox oil well location in the NE/4 SE/4 of Section 35. 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 15 miles east of Tatum, New Mexico.

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CASE 13014: Continued from April 24, 2003, Examiner Hearing.

Application of Matador E & P Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Tubb formation underlying the N/2 NE/4 of Section 8, Township 20 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools spaced on 80-acre spacing, including but not limited to the Monument-Tubb Pool. In addition, Applicant requests that in the absence of objection filed with the Division on or before March 7, the Division order provide for a 200% risk factor penalty based upon the presentation of technical data by affidavit. This unit is to be dedicated to its Laughlin "8" Well No. 1 to be drilled at a standard well location in Unit A of this section. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Matador Operating Company as the operator of the well and a charge for risk involved in this well. This unit is located approximately 2 miles south of Monument, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

Dis

CASE 13077: Application of Mewbourne Oil Company 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 31, Township 20 South, Range 29 East, and in the following manner: Lots 3, 4, E/2 SW/4, and SE/4 (the S/2) to form a standard 319.06-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 Scanlon-Strawn Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, Undesignated Burton Flat-Atoka Gas Pool, Undesignated Scanlon-Morrow Gas Pool, and Undesignated Burton Flat-Morrow Gas Pool; Lots 3, 4, and E/2 SW/4 (the SW/4) to form a standard 159.06-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including the Scanlon (Tansill) Gas Pool; and the SE/4 SW/4 to form a standard oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Scanlon-Delaware Pool and Undesignated East Avalon-Bone Spring Pool. The units are to be dedicated to applicant's Freedom "31" Fed. Com. Well No. 2, to be drilled at an orthodox well location in the SE/4 SW/4 of Section 31. 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 10 miles northeast of Carlsbad, New Mexico.

CASE 13078: Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Queen formation to the base of the Morrow formation underlying the following described acreage in Section 32, Township 18 South, Range 31 East, and in the following manner: The N/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 North Shugart-Atoka Gas Pool and Undesignated North Shugart-Morrow Gas Pool; and the NE/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. The units are to be dedicated to applicant's Porter House 32 State Com. Well No. 1, located at an orthodox location in the NE/4 NE/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 Chi Operating, Inc. as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 9 miles southeast of Loco Hills, New Mexico.

CASE 13079: Application of Chi Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying the E/2 of Section 16, Township 18 South, Range 32 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 the Undesignated North Lusk-Morrow Gas Pool and Undesignated Young-Morrow Gas Pool. The unit is to be dedicated to applicant's Raven 16 State Com. Well No. 1, to be located at an orthodox well location in the NW/4 SE/4 of Section 16. 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 Chi Operating, Inc. as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 7½ miles south of Maljamar, New Mexico.

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CASE 13047: Continued from April 10, 2003, Examiner Hearing.

Application of Chesapeake Operating, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Tubb formation underlying the NE/4 of Section 7, Township 20 South, Range 37E, forming a standard 160-acre gas spacing and proration unit for the Tubb formation, including but not limited to the West Monument-Tubb Gas Pool. This unit is to be dedicated to its Bertha J. Barber Well No. 12 that has been drilled and completed at an approved unorthodox well location (Order R-11652-B) in Unit A of this section. Also to be considered will be the costs of drilling and completing said 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 3 miles south-southwest of Monument, New Mexico.

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CASE 13080: Application of the New Mexico Oil Conservation Division for an Order Requiring Jackie Brewer d/b/a Sandlott Energy to Bring One (1) Well into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Eddy County, New Mexico. This application concerns the Levers "A" State Well No. 3 (API No. 30-015-26896), located in Unit B, Section 8, Township 18 South, Range 28 East.

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CASE 12757 (Reopened): Application of the New Mexico Oil Conservation Division for an Order Shutting In Wells, Canceling Allowables and Assessing Civil Penalties against Marks and Garner Production Ltd. Co. for Failure to Comply with an Order to Plug Certain Wells, Eddy and Lea Counties, New Mexico. The wells sought to be shut in are located in Eddy and Lea Counties, in the following townships and ranges: 13S-33E and 36E, 14S-32E through 35E, 15S-35E, 16S-27E through 29E, 33E and 34E, 17S-29E and 37E, 19S-35E, 21S-34E and 35E and 23S-35E.

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CASE 13025: Continued from April 24, 2003, Examiner Hearing.

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Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief to revoke the permit of Crawford Treating Company to operate an Oil Treatment Plant; Lea County, New Mexico. The Applicant seeks an order rescinding the permit of Dwight Crawford d/b/a Crawford Treating Company to operate an oil treating plant located in the NW/4 NW/4 of Section 12, Township 20 South, Range 38 East, in Lea County, New Mexico. Applicant further seeks an order requiring the former operator to clean up and reclaim the site of such previously operated facility, and in the event of his failure to do so, authorizing the Division to clean up and reclaim the site and forfeiting the operator's bond.

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CASE 13026: Continued from April 24, 2003, Examiner Hearing.

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Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief to revoke the permit of Am-Bett Oil Company, Inc. to operate an Oil Treatment Plant; Lea County, New Mexico. The Applicant seeks an order rescinding the permit of Am-Bett Oil Company, Inc. to operate an oil treating plant located in Lot 6 of Section 3, Township 21 South, Range 37 East, in Lea County, New Mexico. Applicant further seeks an order requiring the former operator to clean up and reclaim the site of such previously operated facility, and in the event of its failure to do so, authorizing the Division to clean up and reclaim the site and forfeiting the operator's bond.

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CASE 13027: Continued from April 24, 2003, Examiner Hearing.

15 to 20

Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief to revoke the permit of Jamar, Inc. to operate an Oil Treatment Plant; Lea County, New Mexico. The Applicant seeks an order rescinding the permit of Jamar, Inc. to operate an oil treating plant located in the NE/4 NE/4 of Section 8, Township 20 South, Range 37 East, in Lea County, New Mexico. Applicant further seeks an order requiring the former operator to clean up and reclaim the site of such previously operated facility, and in the event of its failure to do so, authorizing the Division to clean up and reclaim the site and forfeiting the operator's bond.

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CASE 13066: Continued from May 8, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Jim Pierce to Bring Three (3) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Eddy County, New Mexico. The Applicant seeks an order requiring Jim Pierce to bring three inactive wells located in Eddy County, 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:

State "S" # 2	A-12-19-29	API# 30-015-03582
Leonard "A" State #1	B-12-19-29	API# 30-015-03603
Leonard State # 4	I-1-19-29	API# 30-015-03539

cont

CASE 13061: Continued from May 8, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division, through the Environmental Bureau Chief, for an Order Determining the Responsible Party or Parties and Ordering the Responsible Party or Parties to Complete and Perform an Abatement Plan Pursuant to OCD Rule 19; Lea County, New Mexico. The Applicant seeks an order determining the responsible parties with respect to subsurface water pollution existing at the South Langlie Jal Unit, in Sections 7, 8, 17 and 18, Township 25 South, Range 37 East, and ordering the responsible parties to submit a Stage I Investigation Report to the Division for approval.

