



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Betty Rivera

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

March 5, 2002

Hon. David R. Catanach
Hearing Examiner
Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Re: Case No. 12758-A
Application of the New Mexico Oil Conservation Division for an Order
Requiring Operators to Bring One Hundred Forty-Seven (147) Wells into
Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties;
Lea, Roosevelt and Chaves Counties, New Mexico.

Dear Mr. Catanach:

At the request of the District Supervisor of District I, the Division moves for continuance of the captioned proceeding to the April 4, 2002 Examiner docket.

The District Supervisor represents that all of the remaining operators are in the process of achieving compliance, and requests a further one-month continuance so that their progress in this respect can continue to be monitored.

Very truly yours,

David K. Brooks
Assistant General Counsel

cc: Florene Davidson, OCD, Santa Fe
Chris Williams, OCD, Hobbs

CASE 12819: Continued from March 7, 2002, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. 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 14, Township 19 South, Range 31 East, as follows: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Greenwood-Morrow Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Lusk-Strawn Pool, and the NW/4 SW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Hackberry-Delaware Pool, Undesignated West Lusk-Yates Pool, Undesignated Shugart-Yates-Seven Rivers-Queen-Grayburg Pool and the West Lusk-Bone Spring Pool. Said well is to be dedicated to its Chaparral "14" Federal Well No. 1 to be drilled at a standard location 1980 feet from the South line and 660 feet from the West line of said Section 14 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 Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 16 miles southeast of Loco Hills, New Mexico.

CASE 12820: Continued from March 7, 2002, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 5, Township 19 South, Range 33 East as follows: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Corbin-Morrow Gas Pool and the Buffalo-Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and 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 West Tonto-Wolfcamp Pool, Undesignated Tonto-Bone Spring Pool, Undesignated Buffalo-Queen Pool and the Buffalo-Yates Pool. Said well is to be dedicated to its Gem North "5" Federal Com Well No. 1 to be drilled at a standard location 2310 feet from the North line and 660 feet from the West line of said Section 5 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 Nearburg Producing Company as operator of the well, imposition of a charge for risk involved in drilling said well and whether excessive royalty burdens upon certain leases should be subject to the charge for risk imposed by this order. Said area is located approximately 24 miles southeast of Loco Hills, New Mexico.

CASE 12758-A: Continued from March 7, 2002, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring One Hundred Forty-Seven (147) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 147 inactive wells located in Lea, Roosevelt and Chaves Counties, New Mexico, to bring said wells 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. The affected wells are the following:

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<u>OPERATOR</u>	<u>WELL NAME AND NUMBER</u>	<u>API NO.</u>	<u>ULSTR</u>	<u>COUNTY</u>
Amtex Energy Inc	Chukar State #001	30-025-32747	O-16-19s-34e	Lea
Amtex Energy Inc	Dagger Lake 5 State #001	30-025-31653	O-05-22s-33e	Lea
Amtex Energy Inc	Merit Record 35 #001	30-025-31337	P-35-19s-35e	Lea
Amtex Energy Inc	Record #004	30-025-32196	N-26-19s-35e	Lea
Bettis Boyle & Stovall	B M Justis A #002	30-025-11668	H-20-25s-37e	Lea
Bettis Boyle & Stovall	B M Justis A #006	30-025-11664	H-20-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #001	30-025-11680	G-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #003	30-025-11682	C-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #004	30-025-11681	B-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #005	30-025-11679	G-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #006	30-025-25588	B-21-25s-37e	Lea
Bettis Boyle & Stovall	Patsy A #001	30-025-23721	B-20-22s-37e	Lea
Bettis Boyle & Stovall	Patsy B #002	30-025-23925	N-17-22s-37e	Lea
Bettis Boyle & Stovall	State O #001	30-025-11629	A-16-25s-37e	Lea
Bettis Boyle & Stovall	V H Justis #002	30-025-11666	D-20-25s-37e	Lea
C E Larue & B M Muncy Jr	Gulf Kimmons #002	30-005-20953	A-19-08s-31e	Chaves
C E Larue & B M Muncy Jr	Gulf Wilcox #001	30-005-20967	P-19-08s-31e	Chaves
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-00839	E-04-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-00842	1-05-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-00846	1-05-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-20242	K-04-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-21710	P-32-17s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-21711	O-32-17s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #002	30-025-00838	3-04-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #002	30-025-00843	2-05-18s-32e	Lea
C E Larue & B M Muncy Jr	Trigg Federal #014	30-005-00983	J-04-14s-31e	Chaves
Crestridge Drilling & Prod Co., LLC	Mexico F #001	30-025-05246	3-02-15s-37e	Lea
Crestridge Drilling & Prod Co., LLC	Mexico F #004	30-025-05249	4-02-15s-37e	Lea
Crestridge Drilling & Prod Co., LLC	Mexico F #005	30-025-05250	2-02-15s-37e	Lea
Hal J Rasmussen Oper Inc	Amerada State #003	30-025-02531	G-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Charlotte State #002	30-025-04377	C-32-20s-36e	Lea
Hal J Rasmussen Oper Inc	Charlotte State #004	30-025-04371	N-29-20s-36e	Lea
Hal J Rasmussen Oper Inc	Gulf Cookie State #001	30-025-23964	G-21-23s-36e	Lea
Hal J Rasmussen Oper Inc	Gulf Cookie State #002	30-025-24073	H-21-23s-36e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #005	30-025-02534	J-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #008	30-025-02537	O-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #009	30-025-02538	F-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #041	30-025-02546	E-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #042	30-025-02547	J-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #044	30-025-32741	F-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Mobil State #001	30-025-21747	O-16-23s-36e	Lea
Hal J Rasmussen Oper Inc	Phillips State #001	30-025-02549	G-14-21s-34e	Lea
Hal J Rasmussen Oper Inc	San Simon #001	30-025-28495	H-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Shell State #001	30-025-03424	K-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Shell State #004	30-025-03422	4-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Shell State #007	30-025-03427	F-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Shell State #008	30-025-03428	C-07-21s-35e	Lea

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Hal J Rasmussen Oper Inc	Shell State #014	30-025-03431	3-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	State #002	30-025-02554	K-16-21s-34e	Lea
Hal J Rasmussen Oper Inc	State A #001	30-025-02557	O-16-21s-34e	Lea
Hal J Rasmussen Oper Inc	State B #001	30-025-02563	B-21-21s-34e	Lea
Hal J Rasmussen Oper Inc	State Jct #001	30-025-10748	B-16-23s-36e	Lea
Hal J Rasmussen Oper Inc	Valero State #001	30-025-02553	N-16-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson A State #001	30-025-03436	G-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Wilson A State #002	30-025-03433	B-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Wilson State #001	30-025-02571	G-23-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson State #002	30-025-02577	J-23-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson State #003	30-025-02575	J-23-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson State #017	30-025-02569	A-23-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson State #021	30-025-02577	J-23-21s-34e	Lea
John A Yates Jr	Murphy Kirkpatrick Federal #002	30-041-00218	B-14-08s-37e	Roosevelt
Kenson Operating Company Inc	Langlie Jal Unit #001	30-025-11304	B-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #002	30-025-24837	1-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #003	30-025-11311	D-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #007	30-025-11314	H-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #010	30-025-11308	E-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #011	30-025-11293	H-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #012	30-025-11303	G-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #015	30-025-11305	3-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #018	30-025-11298	I-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #031	30-025-11475	4-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #036	30-025-11452	3-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #039	30-025-11442	4-04-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #044	30-025-11443	E-04-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #050	30-025-24890	G-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #051	30-025-11473	F-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #053	30-025-11469	6-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #057	30-025-23884	L-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #060	30-025-24879	I-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #062	30-025-24880	M-04-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #063	30-025-11451	P-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #065	30-025-23885	N-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #067	30-025-11472	P-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #068	30-025-11471	O-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #069	30-025-11470	N-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #070	30-025-24480	7-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #071	30-025-23869	D-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #072	30-025-11506	C-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #073	30-025-11497	B-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #075	30-025-11510	D-09-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #076	30-025-24881	E-09-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #077	30-025-11498	H-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #079	30-025-23870	F-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #081	30-025-11501	J-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #083	30-025-11513	L-09-25s-37e	Lea

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Kenson Operating Company Inc	Langlie Jal Unit #085	30-025-11493	P-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #088	30-025-11644	A-17-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #089	30-025-11630	H-17-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #093	30-025-11633	P-17-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #094	30-025-11635	O-17-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #096	30-025-27841	N-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #097	30-025-27842	P-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #099	30-025-27844	K-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #103	30-025-28406	P-01-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #104	30-025-28407	M-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #106	30-025-28963	A-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #112	30-025-29408	C-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #115	30-025-31014	I-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #301	30-025-11306	4-31-24s-37e	Lea
Kevin O Butler & Assoc Inc	E B Anderson #002	30-025-22454	M-06-13s-38e	Lea
Kevin O Butler & Assoc Inc	E B Anderson #003	30-025-29786	M-06-13s-38e	Lea
Kevin O Butler & Assoc Inc	East Ek Unit #002	30-025-02361	J-22-18s-34e	Lea
Kevin O Butler & Assoc Inc	East Ek Unit #003	30-025-02357	K-22-18s-34e	Lea
Kevin O Butler & Assoc Inc	East Ek Unit #007	30-025-22362	G-22-18s-34e	Lea
Kevin O Butler & Assoc Inc	East Ek Unit #009	30-025-22730	E-23-18s-34e	Lea
Kevin O Butler & Assoc Inc	East Ek Unit #012	30-025-27948	F-22-18s-34e	Lea
Kevin O Butler & Assoc Inc	Federal A #001	30-025-21806	P-12-15s-34e	Lea
Kevin O Butler & Assoc Inc	Gulf Federal #001	30-025-20991	H-12-15s-34e	Lea
Kevin O Butler & Assoc Inc	Maxwell #001	30-025-21186	F-06-13s-38e	Lea
Kevin O Butler & Assoc Inc	Maxwell #002	30-025-23089	E-06-13s-38e	Lea
Kevin O Butler & Assoc Inc	So Caprock Queen Unit #012	30-005-01180	L-33-14s-31e	Chaves
Kevin O Butler & Assoc Inc	So Caprock Queen Unit #014	30-005-01193	N-33-14s-31e	Chaves
Kevin O Butler & Assoc Inc	So Caprock Queen Unit #015	30-005-01161	O-28-14s-31e	Chaves
Kevin O Butler & Assoc Inc	State Land 76 #001	30-025-00376	10-02-16s-32e	Lea
Kevin O Butler & Assoc Inc	State Land 76 #003	30-025-29066	9-02-16s-32e	Lea
Mallon Oil Co	Be Shipp Estate #001	30-025-29485	G-04-17s-37e	Lea
Mallon Oil Co	Byers #001	30-025-29980	I-03-17s-37e	Lea
Mallon Oil Co	Gallagher State #001	30-025-21930	1-03-17s-34e	Lea
Mallon Oil Co	Mallon 34 Federal #006	30-025-32617	C-34-19s-34e	Lea
Mallon Oil Co	Mallon 34 Federal #009	30-025-32784	G-34-19s-34e	Lea
Mallon Oil Co	Mobil State #001	30-025-22029	G-03-17s-34e	Lea
Mallon Oil Co	Pennzoil State #002	30-025-26749	B-18-16s-37e	Lea
Mallon Oil Co	Pennzoil State #003	30-025-27323	C-18-16s-37e	Lea
Mallon Oil Co	Pennzoil State #004	30-025-27498	2-18-16s-37e	Lea
Mallon Oil Co	Price Family Trust #001	30-025-30351	E-01-17s-37e	Lea
Mallon Oil Co	Price Family Trust #002	30-025-30497	N-01-17s-37e	Lea
Mallon Oil Co	Simmons Estate #001	30-025-30177	N-03-17s-37e	Lea
Mallon Oil Co	State C #003	30-025-24936	O-17-16s-37e	Lea
Mallon Oil Co	State C #004	30-025-27433	G-20-16s-37e	Lea
Mallon Oil Co	Viersen #002	30-025-29445	O-04-17s-37e	Lea
Mallon Oil Co	Waldron #002	30-025-29885	3-03-17s-37e	Lea