

**CASE 13146: Continued from September 18, 2003, Examiner Hearing.**

**Application of EOG Resources, Inc. for Compulsory Pooling and a Non-Standard Gas Spacing Unit, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests below the base of the Strawn formation underlying Lots 3, 4, 5, 6, 11, 12, 13 and 14 of Section 1, Township 16 South, Range 35 East, to form a 342.06-acre non-standard gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Shoe Bar Atoka-Gas Pool. Applicant proposes to dedicate these pooled units to its Giant Stone Fly "1" Well No. 1 that was drilled at a surface location 2264 feet from the North line and 1018 feet from the West line to test the Morrow formation. The well has been recompleted in the Atoka formation 2304 feet from the North line and 947 feet from the West line (Unit E) of said Section 1. 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 miles northwest of Lovington, New Mexico.

**CASE 13040: Continued from August 21, 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.

**CASE 13153: Continued from October 9, 2003, Examiner Hearing.**

**Application of Pride Energy Company for Cancellation of a Drilling Permit and Re-instatement of a Drilling Permit, an Emergency Order Halting Operations, and Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order canceling one drilling permit and re-instating another drilling permit, ordering operations halted on the well unit, and pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W/2 of Section 12, Township 12 South, Range 34 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 Four Lakes-Morrow Gas Pool and Undesignated Four Lakes-Mississippian Gas Pool. The unit is to be dedicated to the existing State "X" Well No. 1, located at an orthodox well location in the SW/4 NW/4 of Section 12. Also to be considered will be the cost of re-entering, deepening, 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 re-entering, deepening, and completing the well. The unit is located approximately 12 miles west-northwest of Tatum, New Mexico.

**CASE 13142: Continued from October 9, 2003, Examiner Hearing.**

**Application of the New Mexico Oil Conservation Division for an Order Requiring Maralo, LLC to Remediate Hydrocarbon Contamination at an Abandoned Well and Battery Site, Lea County, New Mexico.** Applicant seeks an order requiring Maralo, LLC to remediate contamination at the Humble State Well No. 3 site, located in Unit A, Section 36, Township 25 South, Range 36 East.

**CASE 13167:** Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief to Revoke the Permit of A. L. Daugherty to Operate an Oil Treatment Plant and Disposal Facility and to Release Bond; Chaves County, New Mexico. The Applicant seeks an order revoking the permit of A. L. Daugherty to operate an oil treatment plant and disposal facility located at Section 24, Township 8 South, Range 29 East and Section 19, Township 8 South, Range 30 East. The facility was originally permitted under Order No. R-5464. Applicant also seeks an order releasing the bond on the subject facility.

**CASE 12733-A:** Continued from August 21, 2003, Examiner Hearing.

Application of Read & Stevens, Inc. to Re-open Case No. R-12733-A, Eddy and Chaves Counties, New Mexico. Applicant applies to re-open Case No. 12733-A, and for an order rescinding or reducing the civil penalty imposed against it by Order No. R-11761.

**CASE 13142:** Continued from September 4, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Maralo, LLC to Remediate Hydrocarbon Contamination at an Abandoned Well and Battery Site, Lea County, New Mexico. Applicant seeks an order requiring Maralo, LLC to remediate contamination at the Humble State Well No. 3 site, located in Unit A, Section 36, Township 25 South, Range 36 East.

**CASE 13168:** In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves, Lea, and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the Northeast Alston Ranch-Morrow Gas Pool (Pool Code 97274). The discovery well is the Ensign Operating Company Key 20 Well No. 1 (API No. 30-025-36140) located in Unit H of Section 20, Township 13 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 35 EAST, NMPM  
Section 20: E/2

(b) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the Northwest Eight Mile Draw-Morrow Gas Pool (Pool Code 97190). The discovery well is the Yates Petroleum Corporation Blitzen AUB State Well No. 2 (API No. 30-025-34859) located in Unit P of Section 16, Township 11 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM  
Section 16: S/2

(c) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the Southeast Greenwood-Morrow Gas Pool (Pool Code 97224). The discovery well is the Marbob Energy Corporation Tres Elo Federal Well No. 1 (API No. 30-025-35750) located in Unit A of Section 31, Township 19 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM  
Section 31: N/2

(d) CREATE a new pool in Chaves County, New Mexico classified as an oil pool for Wolfcamp production and designated as the Little Lucky Lake-Wolfcamp Pool (Pool Code 97247). The discovery well is the Nadel & Gussman Permian LLC. Mia Michelle State Com. Well No. 1 (API No. 30-005-21175) located in Unit A of Section 32, Township 15 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM  
Section 32: NE/4