

CASE NO. 13704: Application of Latigo Petroleum, Inc. 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 9, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Anderson Ranch-Morrow Gas Pool; and the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent. The units are to be designated to the Anderson Ranch State "9" Well No. 1, to be drilled at an orthodox gas well location in the NE/4 NE/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 200% charge for the risk involved in drilling and completing the well. The units are located approximately 6 miles north-northwest of Maljamar, New Mexico.

CASE NO. 13705: Application of Range Operating New Mexico, Inc. for approval of its East Loving-Delaware Leasehold waterflood project including six injection wells to be located at unorthodox well locations and qualification of the Project Area for the Recovered Oil Tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its East Loving-Delaware Leasehold Waterflood Project including the injection of produced water into the following interval:

From an upper limit being the top of the Lower Brushy Canyon formation to a lower limit being the base of the Delaware Mountain Group as found in the South Culebra Buff #4B well, located 560 feet FEL and 660 feet FSL (Unit A) Section 23, T23S, R28E being points at a depth of 5737 feet for the top marker and 6249 feet for the bottom marker through 6 injection wells at unorthodox well locations within Section 23 as follows:

SCB 23-15 Well 1430 feet FNL and 1150 feet FEL (Unit H)
SCB 23-17 Well 2440 feet FSL and 1500 feet FWL (Unit K)
SCB 23-18 Well Surface: 1815 feet FNL and 1200 feet FWL (Unit D)
Bottomhole: 1300 feet FWL and 1000 feet FNL (Unit E)
SCB 23-19 Well Surface: 1950 feet FNL and 2470 feet FWL (Unit F)
Bottomhole: 2620 feet FEL and 1300 feet FNL (Unit F)
SCB 23-20 Well 2520 feet FSL and 2460 feet FEL (Unit J)
SCB 23-21 Well 2531 FSL and 1252 FEL (Unit I)

within the following described area:

Township 23 South, Range 28 East, NMPM

Section 23:

Tract 1: W/2 NW/4; SE/4 NW/4 and SW/4 NE/4 (160-acres)
Tract 2: NE/4 NW/4 and NW/4 NE/4 (80-acres)
Tract 3: E/2 NE/4 (80) acres)
Tract 4: N/2 SW/4 (80-acres)
Tract 5: N/2 SE/4 (80-acres)
Tract 6: S/2 SE/4 (80-acres)

Applicant also requests that the Division, in accordance with Division Rule 701 and pursuant to the New Mexico "Enhanced Oil Recovery Act," approve this project for the recovered oil tax rate for enhanced oil recovery. Applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for the waterflood operations. This Unit is located approximately 2 miles East of Loving, New Mexico.