

described spacing and proration unit located in the S/2 of Section 31, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Fren Northeast-Morrow Gas Pool. OXY proposes to dedicate the above-referenced spacing or proration unit to its Great Horned Owl State Well No. 1 to be drilled at a standard gas well location 1120 feet from the South line and 1930 feet from the East line (Unit O) 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 OXY USA WTP Limited Partnership as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles Northwest of Maljamar, New Mexico.

**CASE NO. 13750: Continued from July 20, 2006 Examiner Hearing.**

**Application of BP America Production Company for approval of a waterflood project, Eddy County, New Mexico.**

Applicant seeks approval of its Washington "33" State Lease Waterflood Project by injection of water into the Queen-Grayburg, San Andres formations through the following seven injection wells located in Section 33, Township 17 South, Range 28 East, NMPM:

Washington "33" State Well No. 2, 990' FNL & 930' FEL  
Washington "33" State Well No. 4, 990' FNL & 2270' FEL  
Washington "33" State Well No. 10, 2267' FNL & 1650' FWL  
Washington "33" State Well No. 14, 2282' FNL & 970' FEL  
Washington "33" State Well No. 16, 1500' FSL & 700' FEL  
Washington "33" State Well No. 18, 1550' FSL & 2511' FEL  
Washington "33" State Well No. 23, 975' FSL & 1060' FWL

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 any provisions necessary for such other matters as may be appropriate for said waterflood operations. Said area is located approximately 2 miles Southwest of Mossman, New Mexico.

**CASE NO. 13740: Continued from July 20, 2006 Examiner Hearing.**

**Application of BEP Co., L.P. 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 in the following described spacing and proration units located in the E/2 of Section 25, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Laguna Grande-Wolfcamp Gas Pool, the Undesignated Nash Draw-Atoka Gas Pool, the Undesignated Nash Draw-Strawn Gas Pool and the Undesignated Remuda -Wolfcamp Gas Pool; the SE/4 for all formation and/or pools developed on 160-acre spacing within this vertical extent; and the NE/4 SE/4 for all formation and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Nash Drawn-Delaware Pool and the Undesignated Remuda -Wolfcamp Pool. Said units are to be dedicated to its Remuda Basin 25 State Well No. 1 to be drilled at a standard location 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 25 to an approximate depth 14,200 feet. 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 BEPCo., L.P. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles East of Loving, New Mexico.