

Examiner Hearing –September 2, 2010
Docket No. 29-10
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SE/4 Section 19, T-26-N, R-3-W
Tapacito-Pictured Cliffs Pool
Jicarilla 98 Well No. 2B (API No. 3003927308)
Location: NE/4 SE/4

SW/4 Section 20, T-26-N, R-3-W
Tapacito-Pictured Cliffs Pool
Jicarilla 98 Well No. 3B (API No. 3003926915)
Location NE/4 SW/4

NW/4 Section 33, T-26-N, R-3-W
Tapacito-Pictured Cliffs Pool
Jicarilla 117E Well No. 9B (API No. 3003929295)
Location SW/4 NW/4

SW/4 Section 34, T-26-N, R-3-W
Tapacito-Pictured Cliffs Pool
Jicarilla 117E Well No. 3B (API No. 3003929296)
Location NW/4 SW/4

SE/4 Section 5, T-26-N, R-5-W
South Blanco-Pictured Cliffs Pool
Jicarilla 152W Well No. 2M (API No. 3003926575)
Location NW/4 SE/4

NW/4 Section 6, T-26-N, R-5-W
South Blanco-Pictured Cliffs Pool
Jicarilla West Well No. 9M (API No. 3003926306)
Location NE/4 NW/4

In addition, Applicant seeks approval pursuant to Rule 19.15.15.13 of unorthodox well locations for four of the referenced wells:

Jicarilla 94 No. 5C	2540' FNL, 680' FWL, Section 23, T-27-N, R-3-W
Jicarilla 98 No. 2B	2200' FSL, 660' FEL, Section 19, T-26-N, R-3-W
Jicarilla 98 No. 3B	1980' FSL, 2350' FWL, Section 20, T-26-N, R-3-W
Jicarilla 117E No. 9B	2515' FNL, 5654' FWL, Section 33, T-26-N, R-3-W

The subject wells and lands are generally located approximately eighteen miles Northwest of Lindrieth, New Mexico

20.

CASE 12857 (Re-opened)

Application of Burlington Resources Oil and Gas Company LP, BP Amoco and Energen Resources Corporation for approval of a pilot project including unorthodox well locations and an exception from Division Rule 104.D.3 [19.15.15.11] for purposes of establishing a pilot program in the Pictured Cliffs Formation to determine proper well density requirements for Pictured Cliffs wells in San Juan, Sandoval and Rio Arriba Counties, New Mexico. On Application of Energen Resources Corporation, this matter is being re-opened pursuant to the provisions of Order No. R-11848 to present the results and recommendations from the operators' 25-well pilot project study. The wells and lands comprising the pilot project study area are as follow:

- (1) The standard 160.50-acre gas spacing unit in the South Blanco-Pictured Cliffs Pool (72439) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 1, Township 26 North, Range 8 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Luthy "A" Well No. 1 (API No. 30-045-06040), located at an unorthodox location 1980 feet from the North line and 510 feet from the East line (Unit H) of Section 1 and the Luthy "A" Well No. 4 (API No. 30-045-26613), located at an unorthodox infill gas well location 2250 feet from the North line and 1610 feet from the East line (Unit G) of Section 1.
- (2) The standard 161.48-acre gas spacing unit in the South Blanco-Pictured Cliffs Pool (72439) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 5, Township 27 North, Range 8 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Filan Well No. 1 (API No. 30-045-06862), located at a standard gas well location

1650 feet from the North line and 800 feet from the East line (Unit H) of Section 5 and the Filan Well No. 6 (API No. 30-045-20355), located at a standard infill gas well location 1850 feet from the North line and 1650 feet from the East line (Unit G) of Section 5.

- (3) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the NE/4 of Section 16, Township 28 North, Range 9 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Sanchez "A" Com. Well No. 1 (API No. 30-045-07480), located at a standard gas well location 1650 feet from the North line and 690 feet from the East line (Unit H) of Section 16 and the State "16" Well No. 2 (API No. 30-045-25640), located at a standard infill gas well location 1717 feet from the North line and 1850 feet from the East Line (Unit G) of Section 16.
- (4) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the NW/4 of Section 33, Township 29 North, Range 9 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's San Juan Well No.22 (API No. 30-045-07687), located at a standard gas well location 1850 feet from the North line and 1180 feet from the West line (Unit E) of Section 33 and the San Juan Well No. 24-E (API No. 30-045-26596), located at a standard infill gas well location 1050 feet from the North line and 1640 feet from the West line (Unit C) of Section 33.
- (5) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the SE/4 of Section 33, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Zachry Well No. 9 (API No. 30-045-07628), located at a standard gas well location 990 feet from the South and East lines (Unit P) of Section 33 and the Zachry Well No. 45 (API No. 30-045-25629), located at a standard infill gas well location 825 feet from the South line and 1980 feet from the East line (Unit O) of Section 33.
- (6) The standard 160-acre gas spacing unit in the Fulcher Kutz-Pictured Cliffs Pool (77200) comprising the SE/4 of Section 25, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Delo Well No. 9 (API No. 30-045-21126), located at an unorthodox gas well location 1920 feet from the South line and 415 feet from the East line (Unit I) of Section 25 and the Angel Peak "B" Well No. 26-E (API No. 30-045-24360), located at a standard infill gas well location 790 feet from the South and East lines (Unit P) of Section 25.
- (7) The standard 160-acre gas spacing unit in the Fulcher Kutz- Pictured Cliffs Pool (77200) comprising the SW/4 of Section 27, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Garland "B" Well No. 1-R (API No. 30-045-21732), located at a standard gas well location 790 feet from the South line and 860 feet from the West line (Unit M) of Section 27 and the Congress Well No. 18 (API No.30-045-25673), located at an unorthodox infill gas well location 2127 feet from the South line and 1931 feet from the West line (Unit K) of Section 27.
- (8) The standard 160-acre gas spacing unit in the West Kutz-Pictured Cliffs Pool (79680) comprising the SE/4 of Section 32, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Huerfano Unit Well No. 80 (API No. 30-045-06096), located at a standard gas well location 674 feet from the South line and 980 feet from the East line (Unit P) of Section 32 and the Huerfano Unit Well No. 227 (API No.30-045-20874), located at a standard infill gas well location 1070 feet from the South line and 1840 feet from the East line (Unit O) of Section 32.
- (9) The standard 160-acre gas spacing unit in the South Blanco-Pictured Cliffs Pool (72439) comprising the SW/4 of Section 24, Township 27 North, Range 9 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Huerfanito Unit Well No. 45-R (API No. 30-045-30480), located at a standard gas well location 1140 feet from the South line and 1180 feet from the West line (Unit M) of Section 24 and the Huerfanito Unit Well No. 77 (API No. 30-045-06358), located at a standard infill gas well location 1850 feet from the South and West lines (Unit K) of Section 24.
- (10) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the NW/4 of Section 33, Township 29 North, Range 10 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Zachry Well No. 12 (API No. 30-045-20801), located at a standard gas well location 1850 feet from the North and West line (Unit F) of Section 33 and the Zachry Well No. 29 (API No. 30-045-25503), located at a standard infill gas well location 937 feet from the North line and 1785 feet from the West line (Unit C) of Section 33.
- (11) The standard 160-acre gas spacing unit in the Fulcher Kutz-Pictured Cliffs Pool (77200) comprising the NE/4 of Section 13, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Angel Peak "B" Well No. 14-R (API No. 30-045-29446), located at a standard gas well location 1850 feet from the North line and 1830 feet from the East line (Unit G) of Section 13 and the Angel Peak "B" Well No. 34 (API No.30-045-25492), located at a standard infill gas well location 660 feet from the North and East lines (Unit A) of Section 13.

- (12) The standard 160-acre gas spacing unit in the Fulcher Kutz- Pictured Cliffs Pool (77200) comprising the SE/4 of Section 28, Township 29 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Mangum Well No. 3 (API No.30-045- 07810), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of Section 28 and the Mangum Well No. 6 (API No. 30-045-25721), located at an unorthodox infill gas well location 411 feet from the South line and 1650 feet from the East line (Unit O) of Section 28.
- (13) The standard 160.35-acre gas spacing unit in the Ballard-Pictured Cliffs Pool (71439) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 2, Township 26 North, Range 9 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Huerfanito Unit Well No. 15 (API No. 30-045-06070), located at a standard gas well location 990 feet from the North and East lines (Lot 1/Unit A) of Section 2 and the Huerfanito Unit Well No. 15-J (API No. 30-045-31048) located at a standard infill gas well location 1970 feet from the North line and 1870 feet from the East line (Unit G) of Section 2.
- (14) The standard 160-acre gas spacing unit in the Tapacito-Pictured Cliffs Pool (85920) comprising the NW/4 of Section 16, Township 27 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, dedicated to Burlington's San Juan "27-5" Unit Well No. 152 (API No. 30-039-20617), located at a standard gas well location 1500 feet from the North line and 1000 feet from the West line (Unit E) of Section 16 and the San Juan "27-5" Unit Well No. 152-J (API No. 30-039-26964) located at a standard infill gas well location 1530 feet from the North line and 1970 feet from the West line (Unit F) of Section 16.
- (15) The standard 160-acre gas spacing unit in the Blanco-Pictured Cliffs Pool (72359) comprising the SW/4 of Section 2, Township 31 North, Range 10 West, NMPM, San Juan County, New Mexico dedicated to Burlington's San Juan "32-9" Unit Well No. 98 (API No. 30-045-23440), located at a standard gas well location 790 feet from the South line and 800 feet from the West line (Unit M) of Section 2 and the San Juan "32-9" Unit Well No. 98-J (API No. 30-045-31104) located at a standard infill gas well location 1730 feet from the South line and 1530 feet from the West line (Unit K) of Section 2.
- (16) The non-standard 160-acre gas spacing unit in the Fulcher Kutz-Pictured Cliffs Pool (77200) comprising the W/2 NW/4 and N/2 SW/4 of Section 14, Township 28 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to Burlington's Aztec Well No. 700 (API No. 30-045-28781), located at an unorthodox gas well location 2280 feet from the South line and 1500 feet from the West line (Unit K) of Section 14 and the Aztec Well No. 3-R (API No. 30-045-30750) located at a standard infill gas well location for this unit 1800 feet from the North line and 660 feet from the West line (Unit E) of Section 14.
- (17) The standard 160-acre gas spacing unit in the South Blanco- Pictured Cliffs Pool (72439) comprising the NE/4 of Section 22, Township 28 North, Range 8 West, NMPM, San Juan County, New Mexico, dedicated to BP's Tapp "AV" Well No. 6 (API No. 30-045-20321), located at a standard gas well location 790 feet from the North line and 1190 feet from the East line (Unit A) of Section 22 and the Tapp "AV" well No. 1 (API No. 30-045-07317), located at a standard infill gas well location 1715 feet from the North line and 1100 feet from the East line (Unit H) of Section 22.
- (18) The standard 160-acre gas spacing unit in the Aztec-Pictured Cliffs Pool (71280) comprising the SE/4 of Section 11, Township 30 North, Range 11 West, NMPM, San Juan County, New Mexico, dedicated to BP's Storey "B" LS Well No. 5 (API No. 30-045-09601), located at a standard gas well location 800 feet from the South line and 1800 feet from the East line (Unit O) of Section 11 and the Storey "B" LS Well No. 1-A (API No. 30-045-23381), located at a standard infill gas well location 1775 feet from the South line and 1850 feet from the East line (Unit J) of Section 11.
- (19) The standard 160-acre gas spacing unit in the West Kutz-Pictured Cliffs Pool (79680) comprising the SE/4 of Section 34, Township 28 North, Range 12 West, NMPM, San Juan County, New Mexico, dedicated to BP's Gallegos Canyon Unit Well No. 24 (API No. 30-045-07003), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of Section 34 and the Gallegos Canyon Unit Well No. 204-E (API No. 30-045-25262), located. at an unorthodox infill gas well location 1710 feet from the South line and 425 feet from the East line (Unit I) of Section 34.
- (20) The standard 160-acre gas spacing unit in the Tapacito-Pictured Cliffs Pool (85920) comprising the SW/4 of Section 18, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla "98" Well No. 7 (API No. 30- 039-06433), located at a standard gas well location 790 feet from the South and West lines (Unit M) of Section 18 and the Jicarilla "98" Well No. 12-A drilled at a standard infill gas well location 1160 feet from the South line and 1920 feet from the West line (Unit N) of Section 18.

- (21) The standard 159.66-acre gas spacing unit in the South Blanco-Pictured Cliffs Pool (72439) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of Section 6, Township 26 North, Range 5 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla West Well No. 2 (API No. 30-039-06743), located at a standard gas well location 860 feet from the North line and 950 feet from the East line (Lot 1/Unit A) of Section 6 and the Jicarilla West Well No. 8-B drilled at a standard infill gas well location, more or less, 1305 feet from the North line and 1940 feet from the East line (Lot 2/Unit B) of Section 6.
- (22) The standard 160-acre gas spacing unit in the Gavilan-Pictured Cliffs Pool (77360) comprising the NW/4 of Section 14, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla "99" Well No. 13 (API No. 30-039-20167), located at a standard gas well location 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 14 and the Jicarilla "99" Well No. 18 drilled at a standard infill gas well location 1965 feet from the North line and 1980 feet from the West line (Unit F) of Section 14.
- (23) The standard 195.91-acre gas spacing unit in the Tapacito- Pictured Cliffs Pool (85920) comprising Lots 1 and 2 and the S/2 NE/4 (NE/4 equivalent) of irregular Section 4, Township 25 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Florence Federal Well No. 3 (API No. 30-039-06170), located at a standard gas well location 1251 feet from the North line and 961 feet from the East line (Lot 1/Unit A) of irregular Section 4 and the Florence Federal Well No. 7-B drilled at a standard infill gas well location 1470 feet from the North line and 1980 feet from the East line (Lot 2/Unit B) of irregular Section 4.
- (24) The standard 160-acre gas spacing unit in the Gavilan-Pictured Cliffs Pool (77360) comprising the SE/4 of Section 26, Township 27 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla "95" Well No. 10 (API No. 30-039-20170), located at a standard gas well location 990 feet from the South line and 1650 feet from the East line (Unit O) of Section 26 and the Jicarilla "95" well No. 8-B (API No. 30-039-26547), located at a standard infill gas well location 1950 feet from the South line and 1890 feet from the East line (Unit J) of Section 26.
- (25) The standard 160-acre gas spacing unit in the Gavilan-Pictured Cliffs Pool (77360) comprising the SE/4 of Section 2, Township 26 North, Range 3 West, NMPM, Rio Arriba County, New Mexico, dedicated to Energen's Jicarilla "96" Well No. 9 (API No. 30-039-82347), located at a standard gas well location 890 feet from the South line and 1750 feet from the East line (Unit O) of Section 2 and the Jicarilla "96" Well No. 2-B (API No. 30-039-26552), located at an unorthodox infill gas well location 2430 feet from the South line and 1265 feet from the East line (Unit 1) of Section 2.

The subject wells and lands are located in the central portion of the San Juan Basin in San Juan, Sandoval and Rio Arriba Counties, New Mexico.

21. **CASE 13940:** *(Continued from the March 4, 2009 Examiner Hearing.)*
Application of Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc. for an order directing Pride Energy Company to plug and abandon the State "X" Well No. 1, Lea County, New Mexico. Applicants seek an order directing Pride Energy Company to plug and abandon the State "X" Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico. Said well and spacing unit are located approximately 12 miles west-northwest of Tatum, New Mexico.
22. **CASE 14497:** *(Continued from the June 24, 2009 Examiner Hearing.)*
Application of David H. Arrington Oil & Gas Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing unit located in the S/2 of Section 26, Township 15 South, Range 34 East, N.M.P.M., Lea County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing within this vertical extent including the North Eidson Morrow Gas Pool, the Undesignated North Hume Morrow Gas Pool and the Undesignated Grassland Austin Gas Pool; and the SE/4 for all formations and/or pools developed on 160-acre spacing within this vertical extent. Said unit is to be dedicated to its Green Eyed Squealy Worm Well No. 1 to be re-entered 1974 feet from the South line and 1129 feet from the East line of said Section 26. 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 David H. Arrington Oil & Gas Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles West of Lovington, New Mexico.