

320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool. The unit is to be dedicated to the Ryleybart Fed. Well No. 1, to be drilled at an orthodox location in the NE/4 of Section 24. 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 charge for the risk involved in drilling and completing the well. The unit is located approximately 22 miles southeast of Farmington, New Mexico.

CASE 12612: Continued from March 8, 2001, Examiner Hearing.

Application of EOG Resources, Inc. for compulsory pooling and a non-standard spacing and proration unit, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation underlying the W/2 equivalent of irregular Section 6, Township 18 South, Range 31 East, to form a 295.19-acre non-standard 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 Shugart-Morrow Gas Pool. Applicant proposes to dedicate these pooled units to its Canadian A6" Federal Com Well No. 1 to be drilled at a standard location 1650 feet from the South line and 1780 feet from the West line (Unit K) of said Section 6. 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 southeast of Loco Hills, New Mexico.

CASE 12552: Continued from March 8, 2001, Examiner Hearing.

Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation underlying the S/2 of Section 23, Township 22 South, Range 32 East, for all formations and/or pools developed on 320-acre spacing which includes but it not necessarily limited to the Undesignated Bootleg-Ridge Morrow Gas Pool and the Undesignated East Red Tank-Atoka Gas Pool. Applicant proposes to dedicate the pooled units to its Red Tank "23" Federal Com Well No. 1 to be drilled at a standard gas well location in the NW/4 SE/4 of Section 23. 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 30 miles west of Eunice, New Mexico.

CASE 12609: Continued from March 8, 2001, Examiner Hearing.

Application of Chevron U.S.A., Inc. for an unorthodox infill gas well location and simultaneous dedication, Lea County, New Mexico. Applicant seeks an exception to the well location requirements provided within the "*Special Rules and Regulations for the Eumont Gas Pool*", as promulgated by Division Order No. R-8170, as amended, for an unorthodox Eumont infill gas well location within an existing non-standard 480-acre gas spacing and proration unit (authorized by Division Administrative Order NSP-944, dated April 12, 1974, and upheld by Division Order No. R-5549, issued in Case No. 6041 on October 25, 1977) comprising the NE/4 and the S/2 of Section 22, Township 21 South, Range 36 East, which is located approximately one mile northwest of the Eunice-Lea County Airport. The applicant's proposed Harry Leonard NCT-A Well No. 15 (API No. 30-025-35396) is to be drilled at an unorthodox infill gas well location 1980 feet from the South line and 760 feet from the West line (Unit

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L) of Section 22. This unit is currently dedicated to Chevron U.S.A., Inc.'s:

- (i) Harry Leonard NCT-A Well No. 3 (API No. 30-025-04757), located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 22;
- (ii) Harry Leonard NCT-A Well No. 7 (API No. 30-025-04760), located 660 feet from the South and West lines (Unit M) of Section 22;
- (iii) Harry Leonard NCT-A Well No. 12 (API No. 30-025-25496), located at an unorthodox infill gas well location (approved by Division Order No. R-5549) 990 feet from the South line and 660 feet from the East line (Unit P) of Section 22;
- (iv) Harry Leonard NCT-A Well No. 13 (API No. 30-025-31320), located at a standard infill gas well location 1650 feet from the South line and 2310 feet from the East line (Unit J) of Section 22;
- (v) Harry Leonard NCT-A Well No. 6 (API No. 30-025-04759), located at an unorthodox infill gas well location [approved by Division Administrative Order NSL-3253 (SD), dated May 28 1993] 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 22;
- (vi) Harry Leonard NCT-A Well No. 14 (API No. 30-025-32154), located at a standard infill gas well location 1760 feet from the North line and 990 feet from the East line (Unit H) of Section 22, which is a new gas well that was included in this unit in February, 1998.

Further, the applicant, pursuant to the rules governing the Eumont Gas Pool and the stipulated declaratory judgement issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Eumont gas production to this 480-acre unit from all seven of the above-described Harry Leonard NCT-A Wells No. 3, 6, 7, 12, 13, 14, and 15.

Note: Records indicate that Chevron U.S.A., Inc.'s Harry Leonard NCT-A Well No. 8 (API No. 30-025-04761), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 22, is a Eumont oil well that is currently dedicated to a standard 40-acre oil spacing and proration unit comprising the SW/4 SE/4 of Section 22. It will be necessary for the applicant to address this matter at the time of the hearing.

CASE 12610: Continued from March 8, 2001, Examiner Hearing.

Application of Chevron U.S.A., Inc. for simultaneous dedication, Lea County, New Mexico. Applicant, pursuant to the rules governing the Eumont Gas Pool and the stipulated declaratory judgement issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Eumont gas production to the previously approved 160-acre non-standard gas spacing and proration unit comprising the SE/4 of Section 28, Township 21 South, Range 36 East (approved by Division Administrative Order NSP-272, dated June 27, 1956) from the following four wells:

- existing S. E. Felton Well No. 1 (API No. 30-025-04815) located at a standard gas well location 660 feet from the South and East lines (Unit P) of Section 28;
- existing S. E. Felton Well No. 2 (API No. 30-025-25352) located at a standard gas well location either 800 feet or 880 feet from the South line and 1980 feet from the East line (Unit O) of Section 28;

and,

- existing S. E. Felton Well No. 5 (API No. 30-025-33796) located at a standard Eumont gas well location 1980 feet from the South and East lines (Unit J) of Section 28; and
- proposed S. E. Felton Well No. 6 (API No. 30-025-35395) to be drilled at a standard infill gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 28.

This unit is located approximately eight miles southwest of Monument, New Mexico.

CASE 12621: **Application of Chi Energy, Inc. for compulsory pooling and two non-standard gas spacing and proration units, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from 100 feet below the base of the Premier Sand to the base of the Morrow formation underlying the following described acreage in Section 31, Township 16 South, Range 30 East, and in the following manner: Lots 1-4 and the E/2 W/2 (the W/2 equivalent) to form a non-standard 306.84-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent; and Lots 1, 2, and the E/2 NW/4 (the NW/4 equivalent) to form a non-standard 153.31-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Aspen Fed. Com. Well No. 1, to be drilled at an orthodox location in the NE/4 NW/4 of Section 31. 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 charge for the risk involved in drilling and completing the well. The units are located approximately 4½ miles northwest of Loco Hills, New Mexico.

CASE 12536: **Continued from March 8, 2001, Examiner Hearing.**

Application of Concho Resources, Inc. 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 underlying the following described acreage in Section 32, Township 18 South, Range 24 East, and in the following manner: The S½ to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Antelope Sink-Morrow Gas Pool; and the SW¼ to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Southern Cross 32 State Com. Well No. 1, to be located 1650 feet from the South line and 1980 feet from the West line (Unit K) of Section 32. 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 charge for the risk involved in drilling and completing the well. The units are located approximately 10½ miles southeast of Hope, New Mexico.

CASE 12566: **Continued from March 8, 2001 Examiner Hearing.**

Application of KCS Medallion Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 NE/4 of Section 24, Township 18 South, Range 30 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated North Shugart-Bone Spring Pool. The unit will be dedicated to applicant's Shugart West Fed. 24 Well No. G-2, to be

drilled at an orthodox location in the SW/4 NE/4 of Section 24. 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 charge for the risk involved in drilling the well. The unit is located approximately 7 miles southeast of Loco Hills, New Mexico.

CASE 12622: **Application of Nearburg Exploration Company, L.L.C. for two non-standard gas spacing and proration units, Lea County, New Mexico.** Applicant seeks an exception to the spacing provisions of Division Rule 104.C (2) to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-Morrow Gas Pool comprising: (i) the NE/4 of Section 34, Township 21 South, Range 34 East, to be dedicated to the Nearburg Producing Company's existing Grama Ridge East "34" State Well No. 1 (API No. 30-025-34948), located at a standard gas well location 1548 feet from the North line and 990 feet from the East line (Unit H) of Section 34; and (ii) the SE/4 of Section 34 to be dedicated to the EOG Resources, Inc. operated Llano "34" State Well No. 1 (API No. 30-025-26318), located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of Section 34. These two wells are located approximately 17 miles west of Eunice, New Mexico.

CASE 12607: **Continued from March 8, 2001, Examiner Hearing.**

Application of Nearburg Producing Company for hardship gas well classification, Eddy County, New Mexico. Applicant seeks a determination that its Shelby Federal Well No. 3 (API No. 30-015-25949), located 1900 feet from the South line and 2150 feet from the West line (Unit K) of Section 12, Township 22 South, Range 24 East, McKittrick Hills-Upper Pennsylvanian Gas Pool, is a hardship gas well under Division Rule 408 that should be granted priority access to pipeline takes in order to avoid waste. This well is located approximately 13 miles west of Carlsbad, New Mexico.

CASE 12601: **Continued from March 8, 2001, Examiner Hearing.**

Application of Bettis, Boyle & Stovall for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Bough C formation in the following described spacing and proration units located in Section 30, Township 9 South, Range 33 East: Lots 3 and 4 (W/2 SW/4 equivalent) to form a 79.73-acre standard spacing and proration unit for all formations and/or pools developed on 80-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Flying "M"-San Andres Pool; and Lot 3 (NW/4 SW/4 equivalent) to form a 39.82-acre standard spacing and proration unit for all formations and/or pools developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the South Flying "M"-Bough Pool. Said units are to be dedicated to a well to be drilled at a standard location in the NW/4 SW/4 of Section 30 to a depth sufficient to test all formations from the surface to the base of the Bough C 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles northeast of Caprock, New Mexico.

CASE 12623: **Application of Raptor Resources, Inc. for two unorthodox infill gas well locations and simultaneous dedication, Lea County, New Mexico.** Applicant seeks an exception to the well location requirements provided within the "Special Pool Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, for two unorthodox Jalmat infill gas well locations within an existing non-standard 520-acre spacing and proration unit in the Jalmat

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Gas Pool (authorized by Division Order No. R-9073, dated December 14, 1989, as amended by Division Order No. R-9073-B) comprised of S/2 NE/4, N/2 SE/4, and SE/4 SE/4 of Section 9 and the W/2 of Section 10, Township 23 South, Range 36 East, which is located approximately 7.5 miles southwest of Eunice, New Mexico. The applicant's State "A" A/C-1 Well No. 130 is to be drilled at an unorthodox infill gas location 660 feet from the South and East lines of Section 9 and applicant's State "A" A/C Well No. 131 is to be drilled at an unorthodox infill gas well location 1980 feet from the South line and 660 feet from the East line of Section 9. This unit is currently dedicated to Raptor Resources, Inc.'s:

- A. State "A" A/C-1 Well No. 37 (API No. 30-025-09290), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 10;
- B. State "A" A/C-1 Well No. 38 (API No. 30-025-09291), located at a standard gas well location 990 feet from the South and West lines (Unit M) of Section 10;
- C. State "A" A/C-1 Well No. 49 (API No. 30-025-09292), located at an unorthodox gas well location 660 feet from the North and West lines (Unit D) of Section 10;
- D. State "A" A/C-1 Well No. 55 (API No. 30-025-09293), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 10;
- E. State "A" A/C-1 Well No. 56 (API No. 30-025-09294), located at a standard location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 10, which is currently plugged and abandoned;
- F. State "A" A/C-1 Well No. 81 (API No. 30-025-09295), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 10;
- G. State "A" A/C-1 Well No. 86 (API No. 30-025-09295), located at an unorthodox gas well location 1980 feet from the North and West lines (Unit F) of Section 10, which is currently temporarily abandoned;
- H. State "A" A/C-1 Well No. 88 (API No. 30-025-09297), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 10, which is currently temporarily abandoned;
- I. State "A" A/C-1 Well No. 89 (API No. 30-025-09298), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 10; and
- J. State "A" A/C-1 Well No. 100, located at an unorthodox gas well location 1980 feet from the North line and 990 feet from the East line (Unit H) of Section 9, which is currently plugged and abandoned.

Further, the applicant, pursuant to the rules governing the Jalmat Gas Pool and the stipulated declaratory judgment issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Jalmat production to this 520-acre non-standard unit from all twelve of the above described State "A" A/C Wells No. 37, 38, 49, 55, 56, 81, 86, 88, 89, 100, 130, and 131.

CASE 12624: **Application of Raptor Resources, Inc. for an unorthodox infill gas well location and simultaneous dedication, Lea County, New Mexico.** Applicant seeks an exception to the well location requirements provided within the “Special Pool Rules and Regulations for the Jalmat Gas Pool”, as promulgated by Division Order No. R-8170, as amended, for an unorthodox Jalmat infill gas well location within an existing non-standard 480-acre spacing and proration unit comprised of W/2 and SE/4 of Section 24, Township 23 South, Range 36 East, which is located approximately 9 miles southwest of Eunice, New Mexico. The applicant’s State “A” A/C-1 Well No. 133 is to be drilled at an unorthodox infill gas location 660 feet from the North and West lines of Section 24. This unit is currently dedicated to Raptor Resources, Inc.’s:

A. State “A” A/C-1 Well No. 17 (API No. 30-025-09401), located at an unorthodox gas well location 660 feet from the South and East lines (Unit P) of Section 24;

B. State “A” A/C-1 Well No. 24 (API No. 30-025-09402), located at a standard gas well location 990 feet from the South line and 1650 feet from the West line (Unit N) of Section 24, which is currently plugged and abandoned;

C. State “A” A/C-1 Well No. 25 (API No. 30-025-09403), located at a standard gas well location 1650 feet from the North and West lines (Unit F) of Section 24, which is currently plugged and abandoned;

D. State “A” A/C-1 Well No. 32 (API No. 30-025-09404), located at a standard gas well location 1650 feet from the South and East lines (Unit J) of Section 24;

E. State “A” A/C-1 Well No. 50 (API No. 30-025-09405), located at an unorthodox gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 24;

F. State “A” A/C-1 Well No. 52 (API No. 30-025-9406), located at an unorthodox gas well location 1980 feet from the South and West lines (Unit K) of Section 24;

G. State “A” A/C-1 Well No. 53 (API No. 30-025-09407), located at an unorthodox gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 24.

H. State “A” A/C-1 Well No. 54 (API No. 30-025-09409), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 24;

I. State “A” A/C-1 Well No. 107 (API No. 30-025-20975), located at an unorthodox gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 24;

J. State “A” A/C-1 Well No. 108 (API No. 30-025-20976), located at an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 24; and

K. State “A” A/C-1 Well No. 126 (API No. 30-025-31045), located at a standard gas well location 990 feet from the North line and 1650 feet from the West line (Unit C) of Section 24;

Further, the applicant, pursuant to the rules governing the Jalmat Gas Pool and the stipulated declaratory judgment issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Jalmat

production to this 480-acre unit from all twelve of the above-described State “A” A/C-1 Wells No. 17, 24, 25, 32, 50, 52, 53, 54, 107, 108, 126, and 133.

CASE 12625: **Application of Raptor Resources, Inc. for an unorthodox infill gas well location and simultaneous dedication, Lea County, New Mexico.** Applicant seeks an exception to the well location requirements provided within the “Special Pool Rules and Regulations for the Jalmat Gas Pool”, as promulgated by Division Order No. R-8170, as amended, for an unorthodox Jalmat infill gas well location within an existing standard 640-acre spacing and proration unit comprised of Section 11, Township 22 South, Range 36 East, NMPM, which is located approximately 3.5 miles southwest of Eunice, New Mexico. The applicant’s State “A” A/C-2 Well No. 79 is to be drilled at an unorthodox infill gas location 660 feet from the North and East lines of Section 11. This unit is currently dedicated to Raptor Resources, Inc.’s:

(A) State “A” A/C-2 Well No. 14 (API No. 30-025-08873), located at an unorthodox location 660 feet from the North and 1980 feet from the East line (Unit B) of Section 11;

(B) State “A” A/C-2 Well No. 15 (API No. 30-025-08874), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 11;

(C) State “A” A/C-2 Well No. 18, located at a standard location 1650 feet from the North and East lines (Unit G) of Section 11 which is currently plugged and abandoned;

(D) State “A” A/C-2 Well No. 36 (API No. 30-025-08878), located at an unorthodox location 660 feet from the South and West lines (Unit M) of Section 11;

(E) State “A” A/C-2 Well No. 42 (API No. 30-025-08879), located at an unorthodox location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 11;

(F) State “A” A/C-2 Well No. 62 (API No. 30-025-25542), located at a standard gas well location 1980 feet from the South line and 2310 feet from the West line (Unit K) of Section 11;

(G) State “A” A/C-2 Well No. 73 (API No. 30-025-30035), located at an unorthodox gas well location 990 feet from the South line and 660 feet from the East line (Unit P) of Section 11; and

(H) State “A” A/C-2 Well No. 75 (API No. 30-025-34791), located at an unorthodox gas well location 2040 feet from the South line and 660 feet from the West line (Unit L) of Section 11.

Raptor also seeks to drill its proposed State “A” A/C-2 Well No. 80 at a standard location 1980 feet from the North and West lines (Unit F) of said Section 11.

Further, the applicant, pursuant to the rules governing the Jalmat Gas Pool and the stipulated declaratory judgment issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Jalmat production to this 640-acre unit from all ten of the above-described State “A” A/C Wells No. 14, 15, 18, 36, 42, 62, 73, 75, 79, and 80.

CASE 12588: **Continued from February 22, 2001, Examiner Hearing.**

Application of Raptor Natural Pipeline, LLC, f/k/a LG&E Energy Corporation, for special rules for the Grama Ridge Morrow Gas Storage Unit, Lea County, New Mexico. Applicant seeks an

order establishing special rules applicable to wells drilled and completed or recompleted in the Morrow formation within its Grama Ridge Morrow Gas Storage Unit and within each 320-acre spacing unit immediately adjacent to the Unit in the following described area:

Grama Ridge Morrow Gas Storage Agreement

Township 21 South, Range 34 East

Section 33: All
Section 34: All

Township 22 South, Range 34 East

Section 3: All
Section 4: All
Section 10: All

Acreage Adjacent to Unit

Township 21 South, Range 34 East

Section 26: NW/4, S/2
Section 27: All
Section 28: All
Section 29: E/2, SW/4
Section 32: All
Section 35: All

Township 22 South, Range 34 East

Section 2: All
Section 5: All
Section 8: N/2, SE/4
Section 9: All
Section 11: All
Section 14: N/2, SW/4
Section 15: All
Section 16: N/2, SE/4

The application requests the Division establish rules requiring operators of all newly drilled or recompleted wells in the Morrow formation to provide the operator of the Unit with information and data obtained during drilling, completion, and production to determine whether such wells are in communication with the unitized formation or would otherwise interfere with Unit operations. The special project rules would also include provisions requiring the operators of wells determined to be in communication with the Unitized Interval to demonstrate how such well may be produced without interfering with Unit operations or to take such other action determined to be appropriate. The Grama Ridge Morrow Gas Storage Unit is approximately 18 miles west of Eunice, New Mexico

CASE 12441: Continued from February 22, 2001, Examiner Hearing.

Application of LG&E Natural Pipeline LLC for special rules for the Grama Ridge Morrow Gas

Storage Unit, Lea County, New Mexico. Applicant seeks an order establishing special rules applicable to wells drilled and completed or recompleted in the Morrow formation within its Grama Ridge Morrow Gas Storage Unit and within each 320-acre spacing unit immediately adjacent to the Unit in the following described area:

Grama Ridge Morrow Gas Storage Agreement

Township 21 South, Range 34 East

Section 33: All

Section 34: All

Township 22 South, Range 34 East

Section 3: All

Section 4: All

Section 10: All

Acreage Adjacent to Unit

Township 21 South, Range 34 East

Section 26: NW/4, S/2

Section 27: All

Section 28: All

Section 29: E/2, SW/4

Section 32: All

Section 35: All

Township 22 South, Range 34 East

Section 2: All

Section 5: All

Section 8: N/2, SE/4

Section 9: All

Section 11: All

Section 14: N/2, SW/4

Section 15: All

Section 16: N/2, SE/4

The application requests the Division establish rules requiring operators of all newly drilled or recompleted wells in the Morrow formation to provide the operator of the Unit with information and data obtained during drilling, completion, and production to determine whether such wells are in communication with the unitized formation or would otherwise interfere with Unit operations. The special project rules would also include provisions requiring the operators of wells determined to be in communication with the Unitized Interval to demonstrate how such well may be produced without interfering with Unit operations or to take such other action determined to be appropriate. The Grama Ridge Morrow Gas Storage Unit is approximately 18 miles west of Eunice, New Mexico.

CASE 12583: Continued from March 8, 2001, Examiner Hearing.

Application of Threshold Development Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing from the surface to the base of the Wolfcamp formation in the W/2 of Section 16, Township 24 South, Range 33 East, in the following manner: the W/2 for all formations/pools

developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Johnson Ranch-Wolfcamp Gas Pool, the NW/4 for all formations/pools developed on 160-acre spacing, and the NE/4 NW/4 for all formations/pools developed on 40-acre spacing. Said units are to be dedicated to the Johnson Ranch State 16 Well No. 1 to be drilled at a standard location in the NE/4 NW/4 of Section 16. 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 20 miles West of Jal, New Mexico.

CASE 12585: Continued from March 8, 2001, Examiner Hearing.

Application of Threshold Development Company for compulsory pooling, Lea, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing from the surface to the base of the Wolfcamp formation in the N/2 of Section 28, Township 24 South, Range 33 East, in the following manner: the N/2 for all formations/pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Johnson Ranch-Wolfcamp Gas Pool and the Undesignated East Triste Draw-Wolfcamp Pool, the NW/4 for all formations/pools developed on 160-acre spacing, and the NE/4 NW/4 for all formations/pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated East Triste Draw-Bone Spring Pool and the Undesignated Triste Draw-Delaware Pool. Said units are to be dedicated to the State Com Well No. 1 to be drilled at a standard location in the NE/4 NW/4 of Section 28. 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 8 miles east-southeast of the intersection of Highway 128 with the Eddy-Lea County line.

CASE 12563: Continued from December 21, 2000, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for termination of gas prorationing in the Jalmat and Eumont Gas Pools and to amend the special rules governing both pools, Lea County, New Mexico. Applicant seeks to terminate gas prorationing in the Jalmat and Eumont Gas Pools and to exclude both pools from the provisions of Division Rules 601 through 605 (Gas Proration Rules). Once gas prorationing is terminated, it will be necessary to amend the special rules and regulations currently governing both pools (set forth in Division Order No. R-8170, as amended) by whatever means may be necessary to prevent waste, maintain orderly development, and to protect correlative rights of interest owners. The combined area of both pools currently encompasses a relatively large geographical area in Townships 18, 19, 20, 21, 22, 23, 24, 25, and 26 South, Ranges 35, 36, 37, and 38 East, which can roughly be described as an area that extends three to ten miles east and west of a line between Arkansas Junction and Jal.