

**DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 4, 2001****8:15 A.M. - 1220 South St. Francis****Santa Fe, New Mexico**

Docket Nos. 34-01 and 35-01 are tentatively set for October 18, 2001 and November 1, 2001. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

**CASE 12733:** Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring Ninety-Five (95) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Eddy and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 95 inactive wells located in Eddy and Chaves Counties, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

In Eddy County, New Mexico:

Well	API No.	Twsp	Range	Sec.	Unit
Aceco Petroleum-Graridge State #3	30-015-01904	18S	28E	17	L
Aceco Pretroleum-Welch State #4	30-015-10452	18S	28E	17	K
Carl Schellinger-Mahun State #1	30-015-20138	22S	22E	16	F
Dinero Operating-Big Chief Com #1	30-015-22474	22S	28E	22	F
Exxon Mobil-Avalon Delaware Unit # 364	30-015-24770	20S	27E	25	P
Exxon Mobil-Avalon Delaware Unit # 562	30-015-24377	20S	28E	31	O
Exxon Mobil-Avalon Delaware Unit # 916	30-015-24687	21S	27E	06	A
General Minerals-Federal CCC #1	30-015-25477	16S	31E	04	K
NGX-Guacamayo #1	30-015-22080	21S	27E	06	P
NGX-Tecolote State #1	30-015-27346	21S	28E	02	K
Read & Stevens-Amoco Skeeter #1	30-015-24558	16S	31E	14	E
Read & Stevens-Bunker Hill Water Flood Unit #2	30-015-24271	16S	31E	13	D
Read & Stevens-Bunker Hill Water Flood Unit #28	30-015-24387	16S	31E	23	K
Read & Stevens-Jamie Federal #2	30-015-26567	18S	31E	14	E
Roy E. Kimsey, Jr.-Flyer #1	30-015-24360	23S	28E	27	F
SWR Operating-Donnelly Pan American #1Y	30-015-05739	19S	31E	05	G
SWR Operating-Featherstone #1	30-015-05737	19S	31E	05	H
SWR Operating-Featherstone #1	30-015-05744	19S	31E	05	K
SWR Operating-Featherstone #2	30-015-05740	19S	31E	05	A
SWR Operating-Featherstone #4	30-015-05747	19S	31E	05	J
SWR Operating-Featherstone Federal #1	30-015-05732	19S	31E	04	J
SWR Operating-Hodges Federal #1	30-015-05752	19S	31E	06	P
SWR Operating-Keohane C Federal #1	30-015-05595	18S	31E	21	P
SWR Operating-Nickson A #1	30-015-05731	19S	31E	04	D
SWR Operating-Shugart B#3	30-015-05672	18S	31E	33	N
SWR Operating-Welch A#1	30-015-05726	19S	31E	04	B
SWR Operating-Welch A#3	30-015-05728	19S	31E	04	F
SWR Operating-Welch A#3	30-015-05729	19S	31E	04	C
Thornton Hopper-Bradley Federal #1	30-015-00391	24S	26E	13	D
Thornton Hopper-Bradley Federal #2	30-015-00387	24S	26E	11	P
Thornton Hopper-Bradley Federal #5	30-015-00382	24S	26E	11	P
Thornton Hopper-Bradley Federal #8	30-015-00383	24S	26E	11	K
Wiser Oil Co-Lea C#3	30-015-05131	17S	31E	11	D
Wiser Oil Co-Lea C#14	30-015-20705	17S	31E	11	I

**Examiner Hearing – October 4, 2001**

**Docket No. 32-01**

**Page 2 of 12**

Wiser Oil Co-Skelly Unit #13	30-015-05323	17S	31E	21	K
Wiser Oil Co-Skelly Unit #123	30-015-22257	17S	31E	22	M
Wiser Oil Co-Skelly Unit #161	30-015-28140	17S	31E	28	K
Amtex Energy-Malco #1	30-015-00759	18S	27E	03	A
Amtex Energy-Malco #2	30-015-01208	18S	27E	03	A
Bird Creek Resources-Williams #1	30-015-23907	23S	28E	25	N
Burnett Oil Co-Gissler B#11	30-015-04301	17S	30E	23	J
Guadalupe Operating-Yates Federal #2	30-015-01176	20S	27E	06	P
Guadalupe Operating-Yates Federal #4	30-015-01037	20S	27E	08	D
Guadalupe Operating-Yates Federal #10	30-015-01024	20S	27E	06	O
Guadalupe Operating-Yates Federal #14	30-015-01036	20S	27E	07	C
Guadalupe Operating-Yates Federal #17	30-015-21097	20S	27E	07	A
Lindenmuth & Associates-Gorman State #1	30-015-00054	19S	24E	36	C
Mar Oil & Gas-DD 24 Federal #1	30-015-24496	19S	24E	24	P
Accco Petroleum-Adkins Williams State #2	30-015-01916	18S	28E	17	O
Accco Petroleum-Adkins Williams State #5	30-015-01919	18S	28E	17	O
Accco Petroleum-Welch State #1	30-015-01908	17S	28E	17	K
Carl Schellinger-Exxon Federal #1	30-015-22407	16S	29E	29	M
NGX Company-State #1	30-015-23100	21S	28E	02	L
Read & Stevens-Bunker Hill Water Flood Unit #6	30-015-24270	16S	31E	13	F
Read & Stevens-Bunker Hill Water Flood Unit #9	30-015-10360	16S	31E	13	L
Read & Stevens-Bunker Hill Water Flood Unit #15	30-015-23608	16S	31E	14	P
Read & Stevens-Bunker Hill Water Flood Unit #17	30-015-23700	16S	31E	13	N
Read & Stevens-Bunker Hill Water Flood Unit #19	30-015-23609	16S	31E	24	D
SWR Operating-Shugart B#1	30-015-05670	18S	31E	33	O
Thornton Hopper-Bradley Federal #6	30-015-00386	24S	26E	11	I
Wiser Oil Co-Skelly Unit #3	30-015-05347	17S	31E	22	D
Wiser Oil Co-Skelly Unit #17	30-015-05153	17S	31E	15	B
Wiser Oil Co-Skelly Unit #18	30-015-05154	17S	31E	15	D
Wiser Oil Co-Skelly Unit #42	30-015-05356	17S	31E	22	B
Wiser Oil Co-Skelly Unit #45	30-015-05346	17S	31E	22	G
Wiser Oil Co-Skelly Unit #46	30-015-05357	17S	31E	22	H
Wiser Oil Co-Skelly Unit #47	30-015-05364	17S	31E	23	E
Wiser Oil Co-Skelly Unit #52	30-015-05345	17S	31E	22	J
Wiser Oil Co-Skelly Unit #56	30-015-05350	17S	31E	22	N
Wiser Oil Co-Skelly Unit #57	30-015-05353	17S	31E	22	O
Wiser Oil Co-Skelly Unit #89	30-015-05429	17S	31E	28	B
Wiser Oil Co-Skelly Unit #102	30-015-05147	17S	31E	14	B
Wiser Oil Co-Skelly Unit #67	30-015-05339	17S	31E	21	J
Wiser Oil Co-Skelly Unit #72	30-015-05372	17S	31E	23	K
Wiser Oil Co-Skelly Unit #85	30-015-05422	17S	31E	27	B
Wiser Oil Co-Skelly Unit #103	30-015-05148	17S	31E	14	C
Wiser Oil Co-Skelly Unit #105	30-015-05149	17S	31E	14	F
Wiser Oil Co-Skelly Unit #264	30-015-28999	17S	31E	27	C
Burnett Oil Co-Gissler B#7	30-015-04120	17S	30E	11	B
Burnett Oil Co-Gissler B(A-2)#27	30-015-25987	17S	30E	12	L
Burnett Oil Co-Jackson B#4	30-015-04036	17S	30E	01	D
Guadalupe Operating-Yates Federal #7	30-015-01023	20S	27E	06	J

**Examiner Hearing – October 4, 2001**  
**Docket No. 32-01**  
**Page 3 of 12**

---

In Chaves County, New Mexico:

Well	API No.	Twsp	Range	Sec.	Unit
Herman V. Wallis-Federal 14 #1	30-005-60491	14S	28E	14	K
Herman V. Wallis-Federal 14 #2	30-005-60258	14S	28E	14	D
Herman V. Wallis-Laura Federal #1	30-005-62081	14S	28E	10	M
Herman V. Wallis-State Com #1	30-005-60289	14S	28E	11	O
Read & Stevens-Buffalo Valley Com #1	30-005-60014	15S	27E	02	F
Read & Stevens-Jackson #1	30-005-20422	12S	30E	25	I
Read & Stevens-Sulimar #1	30-005-60194	15S	29E	26	K
Read & Stevens-Sulimar #2	30-005-60206	15S	29E	26	M
Read & Stevens-West Haystack Federal #5	30-005-62991	06S	27E	19	F
Stevens Operating-O'Brien C#1	30-005-10188	09S	28E	01	M
Stevens Operating-O'Brien C34	30-005-60330	09S	28E	01	L
Stevens Operating-O'Brien DQ#1	30-005-60731	07S	29E	30	D
Stevens Operating-O'Brien DQ#2	30-005-61017	07S	29E	30	N
Stevens Operating-O'Brien EA#1	30-005-62240	07S	29E	33	F
Julian Ard-Acme #1	30-005-61891	19S	24E	36	C
Stevens Operating-West White Ranch #2	30-005-10094	12S	28E	01	H

**CASE 12699:** Continued from August 23, 2001, Examiner Hearing.

*4 88-278 I*

**Application of Ocean Energy 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 Mississippian formation underlying the E/4 of Section 10, Township 16 South, Range 27 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 but not limited to the Undesignated North Duffield-Strawn Gas Pool, Diamond Mound-Atoka Gas Pool, and Diamond Mound-Morrow Gas Pool. The unit is to be dedicated to applicant's Cook Fed. Com. 10 Well No. 2, to be drilled at an orthodox location in the SE/4 SE/4 of Section 10. The unit will be simultaneously dedicated, in the Morrow formation, to the proposed well and the existing Cook Fed. Com. 10 Well No. 1, located in the S/2 NE4 of the section. 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 10½ miles northeast of Artesia, New Mexico.

**CASE 12734:** **Application of Richardson Operating Company to establish a Special "Infill Well" Area within the Basin-Fruitland Coal Gas Pool as an exception from Rule 4 of the special rules for this pool, San Juan County, New Mexico.** Applicant seeks the establishment of a Special "Infill Well" Area consisting of Section 36 of Township 30 North, Range 15 West, Section 1 of Township 29 North, Range 15 West, Sections 16, 19, 20, 21, 28 through 33 of Township 30 North, Range 14 West, Sections 4, 5 and 6 of Township 29 North, Range 14 West within the Basin-Fruitland Coal Gas Pool, as an exception from Rule 4 of the Special Rules and Regulations for this pool to allow the drilling of a second well within a standard 320-acre spacing unit. The Special "Infill Well" Area is located approximately 2 miles north of Kirkland, New Mexico.

**CASE 12735:** **Application of Louis Dreyfus Natural Gas Corporation 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 4, Township 23 South,

Range 26 East, in the following manner: the E/2 to form a standard 320-acre gas spacing unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently includes but is not necessarily limited to the South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing unit for all formations and/or pools developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre spacing unit for all formations and/or pools developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to Applicant's proposed Saragossa 4 Fed Com Well No. 1 to be located at a standard location in Unit I of this section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a charge for risk involved in drilling and completing this well. This unit is located approximately 6 miles southwest of Carlsbad, New Mexico.

**CASE 12688:    Reopened**

**Application of McElvain Oil & Gas Properties, Inc. for a non-standard gas spacing and proration unit, Rio Arriba County, New Mexico.** Applicant seeks an order approving a 505.20-acre gas spacing and proration unit comprised of Lots 3 and 4, S/2 NW/4 and SW/4 of Section 5 and Lots 1 through 4 of Section 6, Township 25 North, Range 2 West, for all formations and/or pools developed on 320-acre spacing. Said unit is to be dedicated to a well to be drilled to a depth sufficient to test the Mesaverde formation, Blanco-Mesaverde Gas Pool, at a standard location in the NW/4 of said Section 5. Said area is located approximately 11 miles northwest of Lindrieth, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 12320:    Continued from August 9, 2001, Examiner Hearing.**

**Application of Chevron U.S.A. Production Co. for Approval to convert the EMSU Wells No. 210, 212, 222, 252 and 258 to Injection in the Eunice Monument South Unit, Lea County, New Mexico.** Applicant seeks approval to convert its EMSU Wells No. 210, 212, 222, 252 and 258 to injection in the Eunice Monument South Unit (EMSU). These wells are designed to improve recovery efficiency of the waterflood patterns and enhance production of the EMSU secondary recovery project. The wells are located in the following locations: No. 210 - Section 4, Unit K, Township 21 South, Range 36 East; No. 252 - Section 5, Unit I, Township 21 South, Range 36 East; No. 222 - Section 6, Unit O, Township 21 South, Range 36 East; No. 252 - Section 6, Unit W, Township 21 South, Range 36 East; No. 258 - Section 4, Unit U, Township 21 South, Range 36 East. Water will be injected into the unitized interval of the Eunice Monument Grayburg-San Andres Pool which has an upper limit of 100 feet below mean sea level or the top of the Grayburg formation, whichever is higher, to a lower limit of the base of the San Andres formation. Injection will occur at an expected maximum pressure rate of 1500 barrels of water per day and an expected maximum pressure of 750 pounds per square inch. This area is approximately one mile west-south west of Oil Center, New Mexico.

**CASE 12736:    Application of KUKUI Operating Company for an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks an exception to Division Rule 104.C (2) for its proposed Goodnight "35" Federal Well No. 3 (API No. 30-015-31865) to be drilled at an unorthodox gas well location 440 feet from the South line and 660 feet from the West line (Unit M) of Section 35, Township 23 South, Range 29 East. The S/2 of Section 35 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Wolfcamp (Laguna Grande-Wolfcamp Gas Pool), Strawn, Atoka, and Morrow formations. This unit is located approximately 8.5 miles east by