

Examiner Hearing – February 7, 2002
Docket No. 04-02
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CASE 12808: Application of David H. Arrington Oil and Gas, Inc. for an unorthodox oil well location and simultaneous dedication, Lea County, New Mexico. Applicant seeks approval to re-complete its existing Mayfly “14” State Well No. 7 located at an unorthodox location 330 feet from the North and East lines (Unit A) of Section 14, Township 16 South, Range 35 East, for production from the Strawn formation, North Shoe Bar-Strawn Pool and for simultaneous dedication of this well with the previously approved 160-acre oil spacing and proration unit consisting of the NE/4 of said Section 14. This well is located approximately 3 miles west of Lovington, New Mexico.

CASE 12758-A: Continued from November 1, 2001, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring One Hundred Forty-Seven (147) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 147 inactive wells located in Lea, Roosevelt 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:

<u>OPERATOR</u>	<u>WELL NAME AND NUMBER</u>	<u>API NO.</u>	<u>ULSTR</u>	<u>COUNTY</u>
Amtex Energy Inc	Chukar State #001	30-025-32747	O-16-19s-34e	Lea
Amtex Energy Inc	Dagger Lake 5 State #001	30-025-31653	O-05-22s-33e	Lea
Amtex Energy Inc	Merit Record 35 #001	30-025-31337	P-35-19s-35e	Lea
Amtex Energy Inc	Record #004	30-025-32196	N-26-19s-35e	Lea
Bettis Boyle & Stovall	B M Justis A #002	30-025-11668	H-20-25s-37e	Lea
Bettis Boyle & Stovall	B M Justis A #006	30-025-11664	H-20-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #001	30-025-11680	G-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #003	30-025-11682	C-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #004	30-025-11681	B-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #005	30-025-11679	G-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #006	30-025-25588	B-21-25s-37e	Lea
Bettis Boyle & Stovall	Patsy A #001	30-025-23721	B-20-22s-37e	Lea
Bettis Boyle & Stovall	Patsy B #002	30-025-23925	N-17-22s-37e	Lea
Bettis Boyle & Stovall	State O #001	30-025-11629	A-16-25s-37e	Lea
Bettis Boyle & Stovall	V H Justis #002	30-025-11666	D-20-25s-37e	Lea
C E Larue & B M Muncy Jr	Gulf Kimmons #002	30-005-20953	A-19-08s-31e	Chaves
C E Larue & B M Muncy Jr	Gulf Wilcox #001	30-005-20967	P-19-08s-31e	Chaves
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-00839	E-04-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-00842	1-05-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-00846	I-05-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-20242	K-04-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-21710	P-32-17s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-21711	O-32-17s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #002	30-025-00838	3-04-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #002	30-025-00843	2-05-18s-32e	Lea
C E Larue & B M Muncy Jr	Trigg Federal #014	30-005-00983	J-04-14s-31e	Chaves
Crestridge Drilling & Prod Co., LLC	Mexico F #001	30-025-05246	3-02-15s-37e	Lea
Crestridge Drilling & Prod Co., LLC	Mexico F #004	30-025-05249	4-02-15s-37e	Lea
Crestridge Drilling & Prod Co., LLC	Mexico F #005	30-025-05250	2-02-15s-37e	Lea
Hal J Rasmussen Oper Inc	Amerada State #003	30-025-02531	G-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Charlotte State #002	30-025-04377	C-32-20s-36e	Lea
Hal J Rasmussen Oper Inc	Charlotte State #004	30-025-04371	N-29-20s-36e	Lea

Hills, New Mexico.

CASE 12789: Readvertised

Amended Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 4, Township 19 South, Range 31 East as follows: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Shugart-Morrow Gas Pool, and the Undesignated Gatuna Canyon-Atoka Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; the W/2 SW/4 for all formations and/or pools developed on 80-acre spacing, and the SW/4 SW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool. Said unit is to be dedicated to its Red Cloud "4" Federal Com Well No. 1 to be drilled at a standard location 810 feet from the South line and 660 feet from the West line of said Section 4 to a depth sufficient to test all formations from the surface to the base of the Morrow 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, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 11 miles southeast of Loco Hills, New Mexico.

CASE 12790: Readvertised

Amended Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 17, Township 20 South, Range 34 East as follows: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool, Undesignated South Quail Ridge-Atoka Gas Pool, and the Undesignated Lea Pennsylvanian Gas Pool; the NW 4 for all formations and/or pools developed on 160-acre spacing ; the W/2 NW/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Featherstone-Bone Springs Pool, and the NW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Southeast Teas-Delaware Pool, Undesignated Teas-Bone Springs Pool and the Undesignated Teas Yates-Seven Rivers Pool. Said well is to be dedicated to its Mesquite "17" Federal Well No. 1 to be drilled at a standard location 660 feet from the North and West lines of said Section 17 to a depth sufficient to test all formations from the surface to the base of the Morrow 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, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles East of Halfway, New Mexico.

CASE 12540: Continued from January 24, 2002, Examiner Hearing.

In the matter of Case 12540 being reopened pursuant to the provisions of Division Order No. R-11526, which order promulgated temporary special pool rules for the Arena Blanca-Entrada Pool in McKinley County, New Mexico. Operators in the Arena Blanca-Entrada Pool should appear and show cause why the temporary special rules for the pool should not be rescinded.