

and a charge for risk involved in drilling said well. Said area is located approximately 16 miles southeast of Loco Hills, New Mexico.

CASE 12820: Continued from February 21, 2002, Examiner Hearing.

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 5, Township 19 South, Range 33 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 South Corbin-Morrow Gas Pool and the Buffalo-Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated West Tonto-Wolfcamp Pool, Undesignated Tonto-Bone Spring Pool, Undesignated Buffalo-Queen Pool and the Buffalo-Yates Pool. Said well is to be dedicated to its Gem North "5" Federal Com Well No. 1 to be drilled at a standard location 2310 feet from the North line and 660 feet from the West line of said Section 5 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, imposition of a charge for risk involved in drilling said well and whether excessive royalty burdens upon certain leases should be subject to the charge for risk imposed by this order. Said area is located approximately 24 miles southeast of Loco Hills, New Mexico.

CASE 12112: Reopened

Application of Vanco Oil & Gas Corp. and its affiliate CBS Operating Corp. for amendment of Division Order No. R-11435 to authorize a pressure maintenance project in the North Square Lake Unit Area, establish procedures for approval of additional injection wells, and for Qualification of the project area for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act, Eddy County, New Mexico. Applicant seeks amendment of Division Order No. R-11435 which approved a waterflood project in the North Square Lake Unit Area to authorize a pressure maintenance project by injection of water into the Grayburg and San Andres formations through and additional injection wells to be either drilled or re-completed to injection in the North Square Lake Unit Area with injection to be allowed once all remedial work, if any, has been performed in the 1/2 mile area of review for each proposed injection well as required by the rules of the Oil Conservation Division. Applicants also seek the establishment of an administrative procedure whereby additional wells within the North Square Lake Unit Area can be drilled and/or converted to injection without the necessity of additional hearings and to qualify this project for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act. The North Square Lake Unit is located in the following described lands in Eddy County, New Mexico:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM

Section 25: E/2
Section 36: N/2

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 19: S/2
Section 20: S/2
Section 27: SW/4, W/2 SE/4, SE/4 SE/4, SW/4 NE/4
S/2 NW/4, NW/4 NW/4
Section 28 -34: All