

DOCKET: EXAMINER HEARING - THURSDAY – JANUARY 23, 2003

**8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico**

Docket Nos. 03-03 and 04-03 are tentatively set for February 6, 2003 and February 20, 2003. 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 12991: Application of Marathon Oil Company to vacate Division Administrative Order SWD-852, Eddy County, New Mexico. Application for an order vacating Division Administrative Order SWD-852 and staying Yates Petroleum Corporation from recompleting and operating its Archimedes "ARE" State Well No. 1 (API No. 30-015-10414) as a salt water disposal well. This well is located 1650 feet from the South line and 1980 feet from the East line (Unit J) of Section 18, Township 21 South, Range 24 East, which is located approximately 18 miles west of Carlsbad, New Mexico.

CASE 12986: Continued from January 9, 2003, Examiner Hearing.

Application of Apache Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks exceptions to: (i) Rule 4 of the "*Special Rules and Regulations for the Hobbs-Drinkard Pool*" set forth in Division Order No. R-3811, as amended; and (ii) Rule 4 of the "*Special Rules and Regulations for the Hobbs-Lower Blinebry Pool*" set forth in Division Order No. R-9696, as amended, for the existing (spud on May 26, 2002) State "A" Well No. 6 (API No. 30-025-35304), located at an unorthodox infill oil well location for both the Hobbs-Drinkard (31730) and Hobbs-Lower Blinebry (31650) Pools 990 feet from the North line and 1817 feet from the East line (Unit B) of Section 32, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. The N/2 NE/4 of Section 32, being a standard 80-acre lay-down oil spacing and proration unit for both pools, is currently dedicated to the applicant's State "A" Well No. 5 (API No. 30-025-23116) located at a standard oil well location for both zones 660 feet from the North and East lines (Unit A) of Section 32. The State "A" Well No. 6 is to be included within this existing 80-acre unit and will be a replacement well for Apache Corporation's State "A" Well No. 4 (API No. 30-025-23076), located at a standard oil well location for both zones 660 feet from the North line and 2130 feet from the East line (Unit B) of Section 32, which well was the subject of Division Administrative Order SD-98-04, dated July 28, 1998. This unit is located approximately one mile west of Hobbs, New Mexico.

CASE 12992: Application of San Juan Resources, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in accordance with Division Rule 1207.A(1)(b) seeks an order pooling all mineral interests from the surface to the base of the Dakota formation underlying the S/2 of Section 18, Township 30 North, Range 11 West, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools spaced on 320-acre spacing, including but not limited to the Blanco Mesaverde Gas Pool and the Basin Dakota Gas Pool. This unit is to be dedicated to its Tecumseh Well No. 1 which has been drilled and completed at a standard well location in Unit J of this section for downhole commingled production from the Blanco Mesaverde Gas Pool and the Basin-Dakota Gas Pool. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 2 miles East of Flora Vista, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12993: Application of Burlington Resources Oil and Gas Company for three non-standard gas spacing and proration units, San Juan County, New Mexico. Applicant seeks an exception to Division Rule 104.C (3) in order to create three non-standard gas spacing and proration units within the Barker Creek-Dakota Pool (71520) in Irregular Sections 9, 10, and 11, Township 32 North, Range 14 West, which area is located approximately 7.5 miles northwest of La Plata, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12994: Application of Concho Oil & Gas Corp. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the SW/4 SW/4 of Section 33, Township 15 South, Range 36 East, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to applicant's Ginger Quill "33" Well No. 1, to be located at a previously approved unorthodox location in the SW/4 SW/4 of Section 33. 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 2½ miles northeast of Lovington, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12995: Application of Concho Oil & Gas Corp. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 20, Township 18 South, Range 26 East, 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 but not limited to the Atoka-Pennsylvanian Gas Pool. The unit is to be dedicated to applicant's Dayton Flyer Well No. 1, to be located at an unorthodox gas well location in the SW/4 NE/4 of Section 20. 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 1 mile northwest of Dayton, New Mexico.

CASE 12988: Continued from January 9, 2003, Examiner Hearing.

Application of Mewbourne Oil Company for compulsory pooling, Lea 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 9, Township 17 South, Range 35 East, and in the following manner: The W/2 of Section 9 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 the Undesignated North Vacuum Atoka-Morrow Gas Pool; and the NW/4 of Section 9 to form a standard 160-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 Eureka "9" State Com. Well No. 1, to be drilled at an orthodox well location in the NE/4 NW/4 of Section 9. 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 9½ miles southwest of Lovington, New Mexico.

CASE 12979: Continued from January 9, 2003, Examiner Hearing.

Application of Nadel and Gussman Permian, L.L.C. 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 6, Township 23 South, Range 28 East, in the following manner: Lots 1-5, the S/2 NE/4, and the SE/4 NW/4 (the N/2 equivalent) to form a standard 317.26-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 Loving-Upper Pennsylvanian Gas Pool, Undesignated North Loving-Atoka Gas Pool, and Undesignated North Loving-Morrow Gas Pool; and Lots 1, 2, and the S/2 NE/4 (the NE/4 equivalent) to form a standard 159.40-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 Julius Well No. 1, to be drilled at an orthodox location in the SW/4 NE/4 (Unit G) of Section 6. Also to be

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File

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January 6, 2003

VIA FACSIMILE

Mrs. Lori Wortenbery, Director
Oil Conservation Division
1220 South Saint Frances Drive
Santa Fe, New Mexico 87505

Re: **Request for Continuance**
NMOCD Case 12986
Application of Apache Corporation
for an unorthodox well location,
Lea County, New Mexico
State "A" Well No. 6
Unit B, Sec 32, T18S, R38E
Lea County, New Mexico

Dear Mrs. Wortenbery:

On behalf Apache Corporation, please continue the referenced case for the hearing set for January 9, 2003 to the Examiner hearing set for January 23, 2003.

Very truly yours,



W. Thomas Kellahin

cc: Apache Corporation
Attn: Greg Beaty