

DOCKET: EXAMINER HEARING - THURSDAY – April 19, 2001
8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 14-01 and 15-01 are tentatively set for May 3, 2001 and May 17, 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 12640: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Nonombre State Exploratory Unit for an area comprising 2,560 acres of State lands, more or less, in Sections 29, 30, 31 and 32 of Township 13 South, Range 34 East, which is located approximately 8 miles west of McDonald, New Mexico.

CASE 12609: Continued from March 22, 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 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.

Examiner Hearing – April 19, 2001
Docket No. 12-01
Page 2 of 11

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 22, 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 12536: Continued from March 22, 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 12641: 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 11, Township 16 South, Range 27 East, in the following manner: the W/2 for any formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Diamond Mound-Morrow Gas Pool; and the SW/4 for any formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Undesignated Southeast Diamond Mound-Grayburg Gas Pool. Said units are to be dedicated to its Fargo "11" Federal Well No. 1 to be drilled at a standard location 660 feet from the South and West lines (Unit M) of said Section 11. 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 12 miles northeast of Artesia, New Mexico.

CASE 12642: 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 31, Township 18 South, Range 31 East, in the following manner: the W/2 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; and the SW/4 for any formations and/or pools developed on 160-acre spacing. Said units are to be dedicated to its West Shugart "31" Federal Com Well No. 1 to be drilled at a standard location in the E/2 SW/4 of said Section 31. 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 10 miles southeast of Loco Hills, New Mexico.

CASE 12552: Continued from March 22, 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 is 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 12601: Continued from March 22, 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 12635: Continued from April 5, 2001, Examiner Hearing.

Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the base of the Pictured Cliffs formation to the base of the Mesaverde formation in the S/2 of Section 25, Township 25 North, Range 3 West, for all formations and or pools developed on 320-acre spacing, which include but are not necessarily limited to the Mesaverde formation, Blanco-Mesaverde Gas Pool. Said units are to be dedicated to its Naomi Well No. 1 (formerly the Wynona Well No. 1) at a previously approved unorthodox gas well location 1650 feet from the South line and 450 feet from the West line of said Section 25, to be reentered and recompleted in the Mesaverde 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 5 miles southwest of Lindrith, New Mexico.

CASE 12643: Application of Richardson Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in the following described spacing and proration units in Section 8, Township 29 North, Range 14 West: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Basin-Fruitland Coal Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Twin Mounds Fruitland Sand-Pictured Cliffs Pool. Said units are to be dedicated to the ROPCO Well No. 8-3 to be drilled at a standard location 936 feet from the South line and 1276 feet (Unit M) from the West line of said Section 8. 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 Richardson Operating Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles northeast of Kirtland, New Mexico.

CASE 12644: Application of Richardson Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in the following described spacing and proration unit in Section 8, Township 29 North, Range 14 West: the SE/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Twin Mounds Fruitland Sand-Pictured Cliffs Pool. Said unit is to be dedicated to the ROPCO Well No. 8-4 to be drilled at a standard location 1607 feet from the South line and 1451 feet (Unit J) from the East line of said Section 8. 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 Richardson Operating Company

Examiner Hearing – April 19, 2001
Docket No. 12-01
Page 5 of 11

as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles northeast of Kirtland, New Mexico.

CASE 12622: Continued from April 5, 2001, Examiner Hearing.

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 12551: Continued from April 5, 2001, 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 14, Township 21 South, Range 34 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 Wilson-Morrow Gas Pool and the Undesignated South Wilson- Pennsylvanian Gas Pool; and the SE/4 for all formations and/or pools developed on 160-acre spacing. Said units are to be dedicated to its Side Pocket "14" State Com Well No. 1 to be drilled at a standard location 1980 feet from the South line and 660 feet from the East line of Section 14 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, 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 20 miles Southeast of Halfway, New Mexico.

CASE 12607: Continued from April 5, 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 12623: Continued from March 22, 2001, Examiner Hearing.

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 Gas Pool (authorized by Division Order No. R-9073, dated December 14, 1989, as amended by

Examiner Hearing – April 19, 2001
Docket No. 12-01
Page 6 of 11

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: Continued from March 22, 2001, Examiner Hearing.

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: Continued from March 22, 2001, Examiner Hearing.

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 12606: Continued from March 22, 2001, Examiner Hearing.

Application of Echo Production, 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 E/2 of Section 27, Township 20 South, Range 21 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 Little Box Canyon-Morrow Gas Pool. The unit is to be dedicated to applicant's Little Feat "27" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SE/4 of Section 27. 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 18½ miles south-southwest of Hope, New Mexico.

CASE 12621: Continued from March 22, 2001, Examiner Hearing.

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 12566: Continued from March 22, 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 12588: Continued from March 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.

DOCKET: EXAMINER HEARING - THURSDAY - March 22, 2001
8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 11-01 and 12-01 are tentatively set for April 5, 2001 and April 19, 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 12616: Application of Magnum Hunter Production, 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 to the base of the Mississippian formation underlying the W/2 equivalent of Irregular Section 6, Township 18 South, Range 31 East, New Mexico, forming a non-standard 295.19-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, including the North Shugart-Morrow Gas Pool. This unit is to be dedicated to its Neste Kenwood Federal "6" Well No. 1 which will be located at a standard location in Unit C of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Gruy Petroleum Management Company as the operator of the well and a charge for risk involved in this well. This unit is located approximately 5 miles southeast of Loco Hills, New Mexico.

CASE 12617: Application of Lewis B. Burleson, Inc. to rescind Order R-676, for a plugging order and for approval of a 160-acre non-standard gas proration and spacing unit, Lea County, New Mexico. Applicant seeks an order rescinding Order R-676; requiring David H. Arrington Oil & Gas, Inc. to properly plug its Cooper G Well No. 1 (Unit K) of Section 11, Township 24 South, Range 36 East; and to dedicate the Lewis B. Burleson, Inc.'s Cooper G. Well No. 1 (Unit N) to a 160-acre non-standard gas proration and spacing unit consisting of the SW/4 of Section 11, Township 24 South, Range 36 East, Jalmat Gas Pool.

CASE 12579: Continued from February 22, 2001, Examiner Hearing.

Application of Devon Energy Production Company, L.P. 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 22, Township 21 South, Range 26 East, in the following manner: the E/2 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 Undesignated Avalon-Wolfcamp Gas Pool, Undesignated Avalon-Upper Pennsylvanian Gas Pool, Undesignated Avalon-Strawn Gas Pool, Undesignated Crozier Bluff-Atoka Gas Pool, and Undesignated Avalon-Morrow Gas Pool; and the NE/4 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 Carlsbad 22 "H" Fee Com. Well No. 2, located 1350 feet from the North line and 660 feet from the East line (Unit H) of Section 22. Also to be considered will be the cost of re-entering 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 re-entering and completing the well. The units are located approximately 4 miles northwest of Carlsbad, New Mexico.

CASE 12618: Application of Primero Operating, Inc. for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the SW/4 of Section 5, Township 8 South, Range 30 East, 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, including but not limited to the Undesignated West Cato-San Andres Gas Pool. The unit is to be dedicated to applicant's Jennings Com. Well No. 1, to be re-entered at a location 660 feet from the South and West lines of Section 5. Also to be considered will be the cost of

re-entering 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 15 miles southwest of Kenna, New Mexico.

CASE 12580: Continued from March 8, 2001, Examiner Hearing.

Application of Pogo Producing Company 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 Section 24, Township 20 South, Range 26 East, in the following manner: All of the section for all pools or formations developed on 640-acre spacing within that vertical extent, including the McMillan-Morrow Gas Pool; the S/2 of the section for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated McMillan-Cisco Gas Pool and the Undesignated Northeast Springs-Strawn Gas Pool; the SE/4 of the section for all pools or formations developed on 160-acre spacing within that vertical extent; and the SE/4 SE/4 of the section for all pools or formations developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the McMillan State "24" Well No. 1, to be drilled at an orthodox location 660 feet from the South and East lines 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 units are located approximately 5½ miles southeast of Seven Rivers, New Mexico.

CASE 12619: Application of Pogo Producing Company for an unorthodox location, Lea County, New Mexico.

Applicant seeks authorization to directionally drill its WBR Fed. Com. Well No. 5 to the Morrow formation (Undesignated Bootleg Ridge-Morrow Gas Pool) to an unorthodox gas well location 330 feet from the South line and 2270 feet (+50 feet) from the West line of Section 13, Township 22 South, Range 32 East. The S/2 of Section 13 will be dedicated to the well. The surface location of the well is 660 feet from the South line and 2310 feet from the West line, approved by Division Administrative Order NSL-4523. The unit is located approximately 13 miles southeast of the intersection of State Highway 176 and U.S. Highway 62/180.

CASE 12606: Continued from March 8, 2001, Examiner Hearing.

Application of Echo Production, 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 E/2 of Section 27, Township 20 South, Range 21 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 Little Box Canyon-Morrow Gas Pool. The unit is to be dedicated to applicant's Little Feat "27" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SE/4 of Section 27. 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 18½ miles south-southwest of Hope, New Mexico.

CASE 12620: Application of Elm Ridge Resources, Inc. for compulsory pooling, San Juan County, New Mexico.

Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal Gas Pool underlying the N/2 of Section 24, Township 26 North, Range 13 West, 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 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

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

Examiner Hearing – March 22, 2001
Docket No. 9-01
Page 6 of 12

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

Examiner Hearing – March 22, 2001

Docket No. 9-01

Page 7 of 12

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 Corn 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.

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

Dockets Nos. 9-01 and 10-01 are tentatively set for March 22, 2001 and April 5, 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 12265: (REOPENED)

In the matter of Case No. 12265 being reopened pursuant to the provisions of Division Order No. R-11328, which order authorized OXY USA, Inc. to convert its Government "AB" Well No. 9 (API No. 30-015-27964), located on the surface 330 feet from the North line and 230 feet from the East line (Unit A) of Section 10, Township 20 South, Range 28 East (being approximately 15 miles east of Seven Rivers, New Mexico) to a salt water disposal well by injection in the perforated interval from approximately 6,378 feet to 6,619 feet into the Old Millman Ranch-Bone Spring Associated Pool. This order also identified two certain wells within the one-half-mile-area-of review that have inadequate cement behind the production casing string across the proposed injection interval. A provision was included in this order requiring OXY USA, Inc. to equipped these two wells, described below, with pressure recording equipment and to monitor both wells for increased pressures between the intermediate and production casing strings:

- (1) OXY USA, Inc.'s Government "S" Well No. 2 (API No. 30-015-22999), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 3, Township 20 South, Range 28 East; and
- (2) OXY USA, Inc.'s Government "AB" Well No. 2 (API No. 30-015-21480), Located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 10.

OXY USA, Inc. is to appear and show cause why both the Government "S" Well No. 2 and Government "AB" Well No. 2 should not be properly cemented across and above the injection zone.

CASE 12584: Continued from February 8, 2001, Examiner Hearing.

Application of Conoco, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool in a 320-acre spacing unit comprised of the W/2 of Section 36, Township 29 North, Range 11 West. Said pooled unit is to be dedicated to its State "A" Gas Com Well No. 1-E to be recompleted in the Fruitland Coal formation at a previously approved unorthodox well location (Corrected Amended Administrative Order NSL-4197) 1850 feet from the North line and 800 feet from the West line of Section 36. 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 2.5 miles Southeast of Bloomfield, New Mexico.

CASE 12501: Continued from February 8, 2001, Examiner Hearing.

Application of Santa Fe Snyder Corporation for pool creation and special pool rules, Eddy County, New Mexico. Applicant seeks the creation of the North Hackberry-Bone Spring Pool, covering the SE/4 of Section 6, Township 19 South, Range 31 East, and the promulgation of Special Pool Rules for the North Hackberry-Bone Spring Pool, including provisions for 160-acre spacing, special well location requirements, and a gas:oil ratio of 30,000 cubic feet of gas for each barrel of oil produced. The proposed pool is centered approximately 10 miles southeast of Loco Hills, New Mexico.

CASE 12606: **Application of Echo Production, 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 E/2 of Section 27, Township 20 South, Range 21 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 Little Box Canyon-Morrow Gas Pool. The unit is to be dedicated to applicant's Little Feat "27" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SE/4 of Section 27. 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 18½ miles south-southwest of Hope, New Mexico.

CASE 12580: **Continued from February 8, 2001, Examiner Hearing.**

Application of Pogo Producing Company 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 Section 24, Township 20 South, Range 26 East, in the following manner: All of the section for all pools or formations developed on 640-acre spacing within that vertical extent, including the McMillan-Morrow Gas Pool; the S/2 of the section for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated McMillan-Cisco Gas Pool and the Undesignated Northeast Springs-Strawn Gas Pool; the SE/4 of the section for all pools or formations developed on 160-acre spacing within that vertical extent; and the SE/4 SE/4 of the section for all pools or formations developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the McMillan State "24" Well No. 1, to be drilled at an orthodox location 660 feet from the South and East lines 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 units are located approximately 5½ miles southeast of Seven Rivers, New Mexico.

CASE 12581: **Continued from February 8, 2001, 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 from the top of the Strawn formation to the base of the Morrow formation underlying the E/2 of Section 32, Township 15 South, Range 32 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 the Anderson Ranch-Morrow Gas Pool. The unit is to be dedicated to the Anderson Ranch "32" State Well No. 2, to be drilled at an orthodox gas well location 1330 feet from the South line and 1980 feet from the East line 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 Nearburg Producing Company as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 8½ miles north-northeast of Maljamar, New Mexico.

CASE 12536: **Continued from February 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 February 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 12322: (REOPENED)

In the matter of Case 12322 being reopened pursuant to the provisions of Division Order No. R-11326, which order established temporary special rules and regulations for the South McCormack-Silurian Pool in Lea County, New Mexico, including provisions for a depth bracket allowable of 230 BOPD with a limiting GOR of 2000 to 1. Operators in the South McCormack-Silurian Pool may appear and show cause why the Temporary Special Pool Rules for the pool should not be rescinded.

CASE 12551: Continued from February 8, 2001, 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 14, Township 21 South, Range 34 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 Wilson-Morrow Gas Pool and the Undesignated South Wilson- Pennsylvanian Gas Pool; and the SE/4 for all formations and/or pools developed on 160-acre spacing. Said units are to be dedicated to its Side Pocket "14" State Com Well No. 1 to be drilled at a standard location 1980 feet from the South line and 660 feet from the East line of Section 14 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, 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 20 miles Southeast of Halfway, New Mexico.

CASE 12607: 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 12608: Application of David H. Arrington Oil and Gas, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant in the above-styled cause seeks approval of an unorthodox gas well location in the Morrow formation, Austin-Morrow Gas Pool and the Mississippian formation for its the Mayfly A14" State Com. Well No. 4 to be re-entered and re-completed from the Strawn formation at an unorthodox gas well location 1651 feet from the North line and 371 feet from the West line of said Section 14. Said well is located approximately 5 miles west of Lovington, New Mexico.

CASE 12601: Continued from February 22, 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 12561: (READVERTISED)

Application of Raptor Resources, Inc. to amend Division Order No. R-9073 and for approval of a non-standard 400-acre gas proration unit and an unorthodox infill gas well location, Lea County, New Mexico. By Division Order No. R-9073, issued in Case No. 9775 and dated December 14, 1989 [Paragraph No. (13) of Exhibit "A"], a non-standard 440-acre gas spacing and proration unit ("GPU") comprising the SE/4 of Section 17, the NE/4 of Section 20, and the N/2 NW/4 and SW/4 NW/4 of Section 21, all in Township 23 South, Range 36 East, was established for the Jalmat Gas Pool. This order further provided for the following four described wells to be dedicated to this 440-acre GPU, which is located approximately 12.5 miles southwest of Eunice, New Mexico:

(i) State "A" A/C-1 Well No. 3 (API No. 30-025-09367), located at an unorthodox gas well location 1650 feet from the North line and 330 feet from the West line (Unit E) of Section 21, which is currently plugged and abandoned;

(ii) State "A" A/C-1 Well No. 4 (API No. 30-025-09366), located at an unorthodox gas well location 330 feet from the North line and 1660 feet from the West line (Unit C) of Section 21, which

is currently plugged and abandoned;

(iii) State "A" A/C-1 Well No. 5, located at an unorthodox gas well location 1320 feet from the North line and 660 feet from the East line (Units A/H) of Section 20, which is also plugged and abandoned; and

(iv) State "A" A/C-1 Well No. 39 (API No. 30-025-09358), located at an unorthodox gas well location 1980 feet from the South and East lines (Unit J) of Section 17.

The applicant in this matter, Raptor Resources, Inc. seeks to: (i) expand this unit to include the 40 acres comprising the SE/4 NW/4 of Section 21; and (ii) to contract this unit by deleting therefrom the two 40-acre tracts that comprise the SW/4 SE/4 (Unit O) of Section 17 and the NW/4 NE/4 (Unit B) of Section 20. Further, the applicant seeks an exception to the well location requirements provided within the "*Special 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 this newly established 400-acre GPU for its existing State "A" A/C-1 Well No. 6 (API No. 30-025-09369), located 2310 feet from the North line and 1650 feet from the West line (Unit F) of Section 21. Both the State "A" A/C-1 Wells No. 6 and 39 are to be dedicated to this GPU. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12320: Continued from February 8, 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-southwest of Oil Center, New Mexico.

CASE 12609: **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 L) of Section 22. This unit is currently dedicated to Chevron U.S.A., Inc.'s:

Examiner Hearing – March 8, 2001
Docket No. 8-01
Page 6 of 11

- (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:

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 12552: Continued from January 11, 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 12611: 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 W/2 of Section 7, Township 24 South, Range 34 East, for any formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the South Bell Lake-Morrow Gas Pool. Applicant proposes to dedicate these pooled units to its Bell Lake Unit Well No. 8 to be drilled at a standard location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 7. 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 22 miles northwest of Jal, New Mexico.

CASE 12612: 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 12583: Continued from January 25, 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 January 25, 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 12613: Application of Energen Resources Corporation for Salt Water Disposal, Rio Arriba County, New Mexico. Applicant seeks authority to utilize its McCroden Well No. 7, located 1650 feet from the North line and 790 feet from the West line (Unit E) of Section 12, Township 25 North, Range 3 West, to dispose of produced water into the Mesaverde formation through the perforated interval from approximately 5,520 feet to 6,076 feet. This well is located approximately 8.5 miles northwest of Lindrith, New Mexico.

CASE 12614: Application of Energen Resources Corporation for Authorization to Expand Waterflood Injection Operations in the Langlie Lynn Queen Unit, Lea County, New Mexico. Applicant seeks approval to expand waterflood injection operations in its Langlie Lynn Waterflood Project, originally approved for secondary recovery operations by Division Order No. R-4417, by converting the six wells, described below, to water injection. Applicant proposes to inject into the Seven Rivers-Queen-Grayburg formation, Langlie Mattix Seven Rivers-Queen-Grayburg Pool, through the gross perforated interval from approximately 3,408 feet to 3,682 feet.

<i>Well</i>	<i>Ltr.</i>	<i>Sec.</i>	<i>Twp</i>	<i>Range</i>	<i>Footage</i>
Langlie Lynn Queen Unit #5	J	23	T23S	R36E	1980' FSL, 1980' FEL
Langlie Lynn Queen Unit #7	N	23	T23S	R36E	660' FSL, 1980' FWL
Langlie Lynn Queen Unit #14	B	26	T23S	R36E	660' FNL, 1980' FEL
Langlie Lynn Queen Unit #12	D	26	T23S	R36E	660' FNL, 660' FWL
Langlie Lynn Queen Unit #16	F	26	T23S	R36E	1980' FNL, 1980' FWL

Examiner Hearing – March 8, 2001
Docket No. 8-01
Page 9 of 11

Langlie Lynn Queen Unit #18 L 26 T23S R36E 1980' FSL, 660' FWL

This area is located approximately four miles west of Teaque, New Mexico.

IN THE ABSENCE OF OBJECTION, THE CASE WILL BE TAKEN UNDER ADVISEMENT .

CASE 12502: Continued from January 25, 2001, Examiner Hearing.

In the matter of the hearing called by the New Mexico Oil Conservation Division on its own motion to amend Division Order No. R-5878, as amended. The Division seeks to further amend its "*Special Rules for Applications for Wellhead Price Ceiling Category Determinations*", as promulgated by Division Order No. R-5878, as amended, as necessary in order to comply with the Federal Energy Regulatory Commission's Order No. 616, which reinstates wellhead determination procedures for Section 107 gas that qualifies for a federal tax credit under Section 29 of the Internal Revenue Code.

CASE 12615: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Strawn production and designated as the Antelope Sink-Strawn Gas Pool. The discovery well is the Concho Resources, Inc. Southern Cross "20" State Com. Well No. 1 located in Unit P of Section 20, Township 18 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM

Section 20: S/2

- (b) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Wolfcamp production and designated as the Southwest Avalon-Wolfcamp Pool. The discovery well is the ICA Energy Operating, LLC Wagner Federal Well No. 1 located in Unit B of Section 31, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 31: NE/4

- (c) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Wolfcamp production and designated as the Northwest Foor Ranch-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Engwall "RL" Federal Well No. 3 located in Unit A of Section 4, Township 9 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 4: E/2

- (d) EXTEND the Anderson-Wolfcamp Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 23: SW/4

- (e) EXTEND the Angell Ranch-Atoka-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM

Section 23: N/2

- (f) EXTEND the Artesia-Glorieta-Yeso Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 36: NW/4

- (g) EXTEND the West Burton Flat-Strawn Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 25: W/2

- (h) EXTEND the Cedar Lake-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 1: All

- (i) EXTEND the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 18: S/2

- (j) EXTEND the Empire-Pennsylvanian Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 19: NW/4

Section 22: NW/4

- (k) EXTEND the Empire-Yeso Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 18: S/2

- (l) EXTEND the Grayburg Jackson-Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 17: SE/4

- (m) EXTEND the Livingston Ridge-Delaware Pool in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM

Section 24: SE/4

- (n) EXTEND the Loco Hills-Paddock Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 16: NE/4

- (o) EXTEND the East Palmillo-Bone Spring Pool in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 31: SW/4

- (p) EXTEND the Southwest Palmillo-Bone Spring Pool in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 2: NW/4

- (q) EXTEND the Northeast Red Lake-Glorieta-Yeso Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 25: SE/4

- (r) EXTEND the Ross Draw-Wolfcamp Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM

Section 13: S/2

- (s) EXTEND the Sheep Draw-Strawn Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 4: W/2

- (t) EXTEND the North Shugart-Bone Spring Pool in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 18: SE/4

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

DOCKET: EXAMINER HEARING - THURSDAY – February 22, 2001
8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Dockets Nos. 8-01 and 9-01 are tentatively set for March 8, 2001 and March 22, 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 12579: Continued from February 8, 2001, Examiner Hearing.

Application of Devon Energy Production Company, L.P. 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 22, Township 21 South, Range 26 East, in the following manner: the E/2 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 Undesignated Avalon-Wolfcamp Gas Pool, Undesignated Avalon-Upper Pennsylvanian Gas Pool, Undesignated Avalon-Strawn Gas Pool, Undesignated Crozier Bluff-Atoka Gas Pool, and Undesignated Avalon-Morrow Gas Pool; and the NE/4 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 Carlsbad 22 "H" Fee Com. Well No. 2, located 1350 feet from the North line and 660 feet from the East line (Unit H) of Section 22. Also to be considered will be the cost of re-entering 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 re-entering and completing the well. The units are located approximately 4 miles northwest of Carlsbad, New Mexico.

CASE 12500: (READVERTISED)

Application of Southwestern Energy Production Company 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 the base of the San Andres formation to the base of the Morrow formation underlying the following described acreage in Section 31, Township 17 South, Range 28 East, and in the following manner: Lots 1, 2, E/2 NW/4, and NE/4 (the N/2 equivalent) to form a non-standard 327.09-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 Southeast Logan Draw-Atoka Gas Pool and Undesignated North Illinois Camp-Morrow Gas Pool; Lots 1, 2, and E/2 NW/4 (the NW/4 equivalent) to form a non-standard 167.09-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Logan Draw-Wolfcamp Gas Pool; and the SE/4 NW/4 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 Logan Draw-Wolfcamp Pool. The units are to be dedicated to applicant's Big Bluff "31" State Com. Well No. 1, to be drilled at an orthodox location in the SE/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 11½ miles southeast of Artesia, New Mexico.

CASE 12557: Continued from January 25, 2001, Examiner Hearing.

Application of Robert L. Bayless for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Basin-Dakota Pool underlying Lots 1, 2, 3, and 4 and the E/2 W/2 (W/2 equivalent) of

Section 19, Township 26 North, Range 8 West, in order to form a standard 320.04-acre stand-up gas spacing and proration unit for any pool within that vertical extent with special rules providing for development on 320-acre spacing, which presently includes the Undesignated Blanco-Mesaverde and Basin-Dakota Pools. This unit is to be dedicated to a well to be drilled at a standard gas well location thereon. 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 the operator of the well and unit, and a charge for the risk involved in drilling and completing the well. This unit is located approximately 14 miles north of Nageesi, New Mexico.

CASE 12593: **Application of Robert L. Bayless for compulsory pooling, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Dakota Pool underlying Lot 2, the SW/4, the N/2 SE/4, and the SE/4 SE/4 (S/2 equivalent) of Section 10, Township 30 North, Range 11 West, in order to form a standard 318.94-acre lay-down gas spacing and proration unit for any pool within that vertical extent with special rules providing for development on 320-acre spacing, which presently includes the Basin-Fruitland Coal (Gas) Pool, Blanco-Mesaverde Pool, and Basin-Dakota Pool. This unit is to be dedicated to a well to be drilled at a standard gas well location for all three zones within the SE/4 equivalent of Section 10. 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 the operator of the well and unit, and a charge for the risk involved in drilling and completing the well. This unit is located one mile east of Aztec, New Mexico.

CASE 12594: **Application of Matador Petroleum Corporation for compulsory pooling and an unorthodox subsurface 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 following described acreage in Section 20, Township 22 South, Range 23 East, and in the following manner: all of Section 20 to form a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre gas spacing within this vertical extent including but not limited to the Indian Basin-Upper Pennsylvanian Gas Pool; and the E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within this vertical extent including but not limited to the Indian Basin-Upper Pennsylvanian Associated Pool. The units are to be dedicated to its proposed I. B. Federal Com Well No. 1 to be drilled commencing at an unorthodox surface well location 660 feet from the North line and 1146 feet from the East line (Unit A) of Section 20 and terminating within an area not closer than 660 feet from the North and East lines (Unit A) of this Section being an unorthodox subsurface location at the top of the Cisco formation at approximately 7700 feet within the Indian Basin-Upper Pennsylvanian Gas Pool. Applicant intends to test all formations from the surface to the base of the Cisco formation. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of this spacing unit and this well and a charge for risk involved in this well. These units are located approximately 23 miles west of Carlsbad, New Mexico.

CASE 12595: **Application of Chesapeake Operating, Inc. for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks approval to drill and produce its proposed Buchanan "5" Well No. 1 at an unorthodox oil well location 2365 feet from the North line and 1641 feet from the East line (Unit G) of Section 5, Township 17 South, Range 37 East, for production from the Strawn formation from the Shipp-Strawn Pool to be dedicated to a standard 80-acre oil spacing and proration unit consisting of the S/2 NE/4 of this section. This location is located approximately 7 miles southeast of Lovington, New Mexico.

CASE 12539: Continued from February 8, 2001, Examiner Hearing

(REOPENED AND READVERTISED) Application of Maynard Oil Company for simultaneous Dedication in the Wilson-Morrow Gas Pool, Lea County, New Mexico. Applicant seeks authorization to simultaneously dedicate its existing Wilson Deep Unit Well No. 1 (located 2080 feet from the North and West lines - Unit F) and its proposed Wilson Unit Well No. 2 (to be located at a standard location 660 feet from the North and West lines - Unit D) to a standard 320-acre gas spacing unit comprised of the W/2 of Section 13, Township 21 South, Range 34 East. This location is approximately 16 miles west-northwest of Eunice, New Mexico.

CASE 12582: (READVERTISED)

Amended Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in the following described spacing and proration units located in Section 13, Township 15 South, Range 34 East: the S/2 to form a standard gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Morton-Morrow Gas Pool; and the SW/4 to form a standard gas spacing and proration unit for all formations and/or pools developed on 160-acre spacing within that vertical extent. Said units are to be dedicated to the Chevy AWW State Com Well No. 1 to be drilled at a standard location 1650 feet from the South and West lines of said Section 13 to a depth sufficient to test all formations from the surface to the base of the Mississippian 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 6 miles northwest of Lovington, New Mexico.

CASE 12596: Application of Yates Petroleum Corporation for pool contraction, pool creation or, in the alternative, amendment of the Special Pool Rules and Regulations for the Feather-Morrow Pool, Lea County, New Mexico. Applicant seeks an order contracting the boundaries of the Feather-Morrow Pool by the deletion therefrom of the NW/4 of Section 28, Township 15 South, Range 32 East, and the creation of a new gas pool in the Morrow formation comprised of the W/2 of said Section 28 for its Red Tail "AWR" State Com Well No. 1 located 1200 feet from the North line and 990 feet from the West line of Section 28. In the alternative, applicant seeks the amendment of the Special Pool Rules and Regulations for the Feather-Morrow Pool to provide for 160-acre spacing and proration units. Said pool is located approximately 9 miles north-northwest of Maljamar, New Mexico.

CASE 12597: Application of Richardson Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in the following described spacing and proration units in Section 9, Township 29 North, Range 14 West, as follows: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Basin-Fruitland Coal Gas Pool; and the NE/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Undesignated Twin Mounds-Fruitland Sand-Pictured Cliffs Pool. Said units are to be dedicated to the ROPCO Well No. 9-1 to be drilled at a standard location 835 feet from the North line and 860 feet from the East line of Section 9. 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 Richardson Operating Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 2 miles northeast of Kirtland, New Mexico.

CASE 12598: Application of Richardson Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in the following described spacing and proration unit in Section 9, Township 29 North, Range 14 West, as follows: the SE/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Undesignated Twin Mounds-Fruitland Sand-Pictured Cliffs Pool. Said unit is to be dedicated to the ROPCO Well No. 9-2 to be drilled at a standard location 1075 feet from the South line and 715 feet from the East line of Section 9. 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 Richardson Operating Company as operator of the well and a charge for the risk involved in drilling said well. Said area is located approximately 1 1/2 miles northeast of Kirtland, New Mexico.

CASE 12599: Application of Richardson Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation in the following described spacing and proration units in Section 9, Township 29 North, Range 14 West, 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 Basin-Fruitland Coal Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Undesignated Twin Mounds-Fruitland Sand-Pictured Cliffs Pool. Said units are to be dedicated to the ROPCO Well No. 9-3 to be drilled at a standard location 1404 feet from the South line and 1508 feet from the West line of Section 9. 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 Richardson Operating Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1 mile northeast of Kirtland, New Mexico.

CASE 12600: Application of Marbob Energy Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying Section 30, Township 19 South, Range 32 East. Applicant proposes to dedicate this pooled unit to its SL Deep Federal Com Well No. 1 to be drilled at a standard location 1980 feet from the South line and 1650 feet from the East line of Section 30 to a depth sufficient to test the Morrow formation, which includes, but is not necessarily limited to, the Lusk-Morrow Gas Pool. 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 16 miles south of Maljamar, New Mexico.

CASE 12601: 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 12602: Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, unorthodox well locations and directional drilling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W/2 for all formations and/or pools developed on 320-acre spacing; the NW/4 for all formations and/or pools developed on 160-acre spacing; the N/2 NW/4 for all formations and/or pools developed on 80-acre spacing including but not limited to the West Lovington-Strawn 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 Townsend-Permo Pennsylvanian Pool, the Undesignated Townsend-Strawn Pool, the Undesignated Townsend-Abo Pool and the Undesignated Townsend-Devonian Pool, all in Section 35, Township 15 South, Range 35 East. Applicant proposes to dedicate these pooled units to its Disco Midge Well No. 1 to be drilled at an unorthodox gas well surface location 1487 feet from the North line and 331 feet from the West line in the NW/4 of Section 35. Arrington proposes to directionally drill this well in a north-northeasterly direction intersecting the Strawn formation at an unorthodox location approximately 1250 feet from the North line and 390 feet from the West line with a bottomhole location in the Mississippian formation at a point approximately 660 feet from the North line and 800 feet from the West line of said Section 35. 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 1.5 miles northwest of Lovington, New Mexico.

CASE 12603: Application of Clayton Williams Energy, Inc. for salt water disposal, Eddy County, New Mexico. Applicant seeks authority to utilize its Green "B" Federal Well No. 9 (API No. 30-015-22930), located 1980 feet from the North line and 2310 feet from the East line (Unit G) of Section 19, Township 17 South, Range 29 East, to dispose of produced salt water into the Undesignated Empire-Abo Pool through the perforated interval from approximately 6,900 feet to 7,600 feet. This well is located approximately one mile west of Loco Hills, New Mexico.

CASE 12588: Continued from January 25, 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 January 25, 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 12604: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Rio Arriba and San Juan Counties, New Mexico.

- (a) CREATE a new pool in San Juan County, New Mexico classified as a gas pool for Morrison production and designated as the Ute Dome-Morrison Pool. The discovery well is the Cross Timbers Operating Company Ute Indians A Well No. 22 in Unit F of Section 2, Township 31 North, Range 14 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 14 WEST, NMPM
Section 2: N/2 and SW/4

- (b) CREATE a new pool in San Juan County, New Mexico classified as a gas pool for Pictured Cliffs production and designated as the Bisti-Fruitland Sand-Pictured Cliffs Pool. The discovery well is the Dugan Production Company Phillips Well No. 1 in Unit N of Section 5, Township 24 North, Range 9 West, NMPM. Said pool would comprise:

TOWNSHIP 24 NORTH, RANGE 9 WEST, NMPM
Section 5: NE/4

(c) EXTEND the Albino-Pictured Cliffs Pool in San Juan County, New Mexico to include:

TOWNSHIP 32 NORTH, RANGE 8 WEST, NMPM

Section 15: S/2

Section 16: S/2

(d) EXTEND the Aztec-Fruitland Sand Pool in San Juan County, New Mexico to include:

TOWNSHIP 29 NORTH, RANGE 11 WEST, NMPM

Sections 2 and 3: All

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM

Section 34: All

(e) EXTEND the Aztec-Pictured Cliffs Pool in San Juan County, New Mexico to include:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM

Section 26: E/2

(f) EXTEND the Blanco-Mesaverde Pool in Rio Arriba County, New Mexico to include:

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM

Section 17: All

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Section 27: All

Section 34: All

(g) EXTEND the Blanco-Pictured Cliffs Pool in San Juan and Rio Arriba Counties, New Mexico to include:

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM

Section 9: SE/4

Section 17: E/2 and SW/4

Section 18: SW/4

TOWNSHIP 30 NORTH, RANGE 8 WEST, NMPM

Section 29: E/2

(h) EXTEND the East Blanco-Pictured Cliffs Pool in Rio Arriba County, New Mexico to include:

TOWNSHIP 29 NORTH, RANGE 3 WEST, NMPM

Section 2: NW/4

Section 3: N/2

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM

Section 5: E/2

Sections 33 through 36: All

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM

Section 8: NE/4

- (i) EXTEND the South Blanco-Pictured Cliffs Pool in Rio Arriba County, New Mexico to include:

TOWNSHIP 28 NORTH, RANGE 7 WEST, NMPM

Section 16: W/2

Section 20: All

Section 21: W/2 and NE/4

Section 29: All

TOWNSHIP 29 NORTH, RANGE 6 WEST, NMPM

Section 31: N/2

Section 32: All

- (j) EXTEND the Cabresto Canyon-Tertiary Pool in Rio Arriba County, New Mexico to include:

TOWNSHIP 29 NORTH, RANGE 3 WEST, NMPM

Section 2: All

Section 3: SE/4

Section 11: All

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM

Section 26: SW/4

Section 27: SE/4

Section 34: E/2

Sections 35 and 36: All

- (k) EXTEND the Flora Vista-Fruitland Sand Pool in San Juan County, New Mexico to include:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM

Section 1: NW/4

Section 4: W/2

Sections 5 and 6: All

Section 7: E/2

Section 8: N/2

- (l) EXTEND the Fulcher Kutz-Pictured Cliffs Pool in San Juan County, New Mexico to include:

TOWNSHIP 30 NORTH, RANGE 12 WEST, NMPM

Section 17: All

Section 20: N/2 and SE/4

- (m) EXTEND the Gobernador-Pictured Cliffs Pool in Rio Arriba County, New Mexico to include:

TOWNSHIP 30 NORTH, RANGE 6 WEST, NMPM

Section 8: SE/4

Section 17: E/2

Section 20: E/2

Section 21: S/2
Section 36: N/2

- (n) EXTEND the Harper Hill-Fruitland Sand-Pictured Cliffs Pool in San Juan County, New Mexico to include:

TOWNSHIP 30 NORTH, RANGE 14 WEST, NMPM

Section 10: SE/4
Section 14: NW/4
Section 15: N/2

- (o) EXTEND the Kutz-Gallup Oil Pool in San Juan County, New Mexico to include:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 31: W/2 and NE/4

- (p) EXTEND the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico to include:

TOWNSHIP 29 NORTH, RANGE 14 WEST, NMPM

Section 14: All
Section 23: All
Sections 26 and 27: All

- (q) EXTEND the South Los Pinos-Fruitland Sand-Pictured Cliffs Pool in San Juan County, New Mexico to include:

TOWNSHIP 32 NORTH, RANGE 7 WEST, NMPM

Section 11: S/2
Section 14: All
Section 23: All
Section 24: S/2
Section 25: N/2
Section 26: NE/4

- (r) EXTEND the Otero-Chacra Pool in Rio Arriba County, New Mexico to include:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 1: All
Sections 12 through 15: All
Section 16: NE/4

TOWNSHIP 27 NORTH, RANGE 6 WEST, NMPM

Section 35: All

- (s) EXTEND the Rosa-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico to include:

TOWNSHIP 30 NORTH, RANGE 6 WEST, NMPM

Section 2: E/2
Section 11: N/2

TOWNSHIP 31 NORTH, RANGE 6 WEST, NMPM

Section 35: SE/4

- (t) EXTEND the Simpson-Gallup Oil Pool in San Juan County, New Mexico to include:

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 30: S/2

- (u) EXTEND the Tapacito-Gallup Associated Pool in Rio Arriba County, New Mexico to include:

TOWNSHIP 26 NORTH, RANGE 5 WEST, NMPM

Section 27: NE/4

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.