

CASE 13373: Continued from November 18, 2004, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order determining that Orbit Energy Inc. knowingly and willfully violated 19.15.4.201 NMAC; requiring Orbit Energy Inc. to bring five wells into compliance with 19.15.4.201 NMAC by a date certain; assessing appropriate civil penalties; and, in the event of non-compliance, authorizing the Division to plug said wells and forfeit the applicable financial assurances, and for such other relief as the Director deems appropriate. The affected wells are: Farrell Federal #010, API 30-041-10446, F-28-7S-33E; James McFarland #004, API 30-041-10567, L-20-7S-33E; Humble Federal #005, API 30-041-20116, B-26-7S-32E; State BA #001, API 30-041-10003, A-34-7S-35E; and the State BA #002, API 30-041-20048, H-34-7S-35E. The wells are located approximately 30 miles southwest of Portales in Roosevelt County, New Mexico.

CASE 13374: Continued from November 18, 2004, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order determining that MGM Oil & Gas Co. knowingly and willfully violated NMSA 1978, Section 70-2-31(B)(2), 19.15.13.115.A NMAC and 19.15.4.201 NMAC; requiring MGM Oil & Gas Co. to bring six wells into compliance with 19.15.4.201 NMAC; assessing appropriate civil penalties; and in the event of non-compliance, authorizing the Division to plug said wells and forfeit the applicable plugging bond. The affected wells are: Kennitz Wolfcamp Unit #6, API 30-025-01918, M-19-16S-34E; Kennitz Wolfcamp Unit #9, API 30-025-01921, M-20-16S-34E; Kennitz Wolfcamp Unit #19, API 30-025-01272, C-25-16S-33E; Kennitz Wolfcamp Unit #21, API 30-025-01274, E-25-16S-33E; Kennitz Wolfcamp Unit #22, API 30-025-01273, G-25-16S-33E; and the Kennitz Wolfcamp Unit #28, API 30-025-01944, K-30-16S-34E. The affected wells are located on a lease approximately 14 miles West and 4 miles South of Lovington in Lea County, New Mexico.

CASE 13371: Continued from November 18, 2004, Examiner Hearing

Application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order requiring Lindenmuth & Associates, Inc. to bring one well into compliance with 19.15.4.201 NMAC; imposing a civil penalty; authorizing the Division to plug said well in the event of noncompliance and forfeit the applicable financial assurance; and for such other relief as the Director deems appropriate. The affected well is the Post #001 well, API #30-025-27984, located at Unit Letter N, Section 1, Township 14 South, Range 37 East; approximately 15 miles northeast of Lovington in Lea County New Mexico.

CASE 13396: 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 Atoka production and designated as the Cottonwood Levee-Atoka Gas Pool (Pool Code 97402). The discovery well is the Yates Petroleum Corporation Clarence "BCU" Well No. 1 (API No. 30-015-33148) located in Unit D of Section 14, Township 16 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 26 EAST, NMPM

Section 14: W/2

(b) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Morrow production and designated as the Northeast Fren-Morrow Gas Pool (Pool Code 96996). The discovery well is the Texaco Exploration and Production, Inc. Texmack "36" State Well No. 1 (API No. 30-015-30743) located in Unit C of Section 36, Township 16 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 36: N/2

(c) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Atoka production and designated as the Hess Hills-Atoka Gas Pool (Pool Code 97398). The discovery well is the Yates Petroleum Corporation Chimay "BAO" State Well No. 1 (API No. 30-015-32508) located in Unit E of Section 2, Township 24 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 23 EAST, NMPM

Section 2: N/2

(d) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Upper Pennsylvanian production and designated as the East Hess Hills-Upper Pennsylvanian Gas Pool (Pool Code 97383). The discovery well is the Yates Energy Corporation Lonesome Dove Federal Well No. 1 (API No. 30-015-26072) located in Unit N of Section 26, Township 23 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 23 EAST, NMPM

Section 26: S/2

(e) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Wolfcamp production and designated as the Lake McMillan-Wolfcamp Pool (Pool Code 97400). The discovery well is the Yates Drilling Company Parrot Federal Well No. 2 (API No. 30-015-33345) located in Unit I of Section 29, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM

Section 29: SE/4

(f) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Upper Pennsylvanian production and designated as the Red Tank Draw-Upper Pennsylvanian Gas Pool (Pool Code 97403). The discovery well is the Mack Energy Corporation Popeye State Well No. 1 (API No. 30-015-33499) located in Unit A of Section 8, Township 19 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 23 EAST, NMPM

Section 8: E/2

(g) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Upper Pennsylvanian production and designated as the Rio Penasco-Upper Pennsylvanian Gas Pool (Pool Code 97404). The discovery well is the Mack Energy Corporation Southern Cross "19" Com. Well No. 1 (API No. 30-015-33479) located in Unit P of Section 19, Township 18 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM

Section 19: S/2

(h) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Wolfcamp production and designated as the East Rocky Arroyo-Wolfcamp Gas Pool (Pool Code 97397). The discovery well is the Cimarex Energy Company La Federal 1-A Well No. 1 (API No. 30-015-22654) located in Unit I of Section 11, Township 22 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM

Section 11: E/2

(i) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Morrow production and designated as the West Salt Draw-Morrow Gas Pool (Pool Code 96819). The discovery well is the OGX Resources, LLC State GQ Com. Well No. 1 (API No. 30-015-22894) located in Unit J of Section 7, Township 25 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM

Section 7: E/2

(j) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Wolfcamp production and designated as the North Seven Rivers-Wolfcamp Gas Pool (Pool Code 97394). The discovery well is the Mar Oil and Gas Corporation DD "24" Federal Well No. 26 (API No. 30-015-26154) located in Unit I of Section 24, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 24: E/2

(k) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Pennsylvanian production and designated as the Willow Spring-Pennsylvanian Gas Pool (Pool Code 97385). The discovery well is the Reliance Energy, Inc. Willow Spring "33" Well No. 3 (API No. 30-005-63348) located in Unit D of Section 33, Township 4 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM

Section 33: W/2

(l) EXTEND the North Anderson-Wolfcamp Pool (Pool Code 97183) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 2: E/2

(m) EXTEND the West Bear Grass Draw-Atoka Gas Pool (Pool Code 71688) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 2: All

(n) EXTEND the North Cemetery-Atoka Gas Pool (Pool Code 74635) in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 27: NE/4

(o) EXTEND the Cemetery-Morrow Gas Pool (Pool Code 74640) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 3: Lots 9 through 16

(p) EXTEND the Dagger Draw-Strawn Gas Pool (Pool Code 75920) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 5: NE/4

(q) EXTEND the North Foor Ranch-Pre-Permian Gas Pool (Pool Code 97094) in Chaves County, New Mexico to include:

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 14: SE/4

(r) EXTEND the Foor Ranch-Wolfcamp Gas Pool (Pool Code 76750) in Chaves County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 2: S/2

(s) EXTEND the Northwest Foor Ranch-Wolfcamp Gas Pool (Pool Code 97066) in Chaves County, New Mexico to include:

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 26: N/2 and SW/4

Section 35: W/2

- (t) EXTEND the Frontier Hills-Strawn Gas Pool (Pool Code 77190) in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 27: SE/4

Section 34: N/2

- (u) EXTEND the North Hackberry-Morrow Gas Pool (Pool Code 96785) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 26: NE/4

- (v) EXTEND the South Happy Valley-Atoka Gas Pool (Pool Code 96338) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM

Section 15: N/2 and SW/4

Section 22: NW/4

- (w) EXTEND the Kennedy Farms-Morrow Gas Pool (Pool Code 79520) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM

Section 3: N/2

- (x) EXTEND the Nash Draw-Delaware Pool (Pool Code 47545) in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM

Section 19: SE/4

- (y) EXTEND the Penasco Draw-Permo Pennsylvanian Gas Pool (Pool Code 82775) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM

Section 14: W/2

Section 15: N/2

- (z) EXTEND the Quahada Ridge-Atoka Gas Pool (Pool Code 83200) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM

Section 21: SE/4

- (aa) EXTEND the Red Lake Shores-Grayburg Pool (Pool Code 97335) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 28: NW/4

- (bb) EXTEND the Tamano-Bone Spring Pool (Pool Code 58040) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 10: SW/4

(cc) **EXTEND the North Willow Lake-Delaware Pool (Pool Code 64455) in Eddy County, New Mexico to include:**

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM

Section 20: NE/4

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