

CASE 13504: Continued from June 2, 2005, Examiner Hearing

Application of Apache Corporation for statutory unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing an enhanced oil recovery project, all mineral interest in the unitized formations the vertical limits of which extend from an upper limit being 75 feet above the stratigraphic Blinebry marker to a lower limit at the top of the Abo formation as seen on the type log from the Continental Lockhart B-11 #17 well located 1980 feet from the North line and 1980 feet from the East line, Section 11, Township 21 South, Range 37 East and is that interval which is correlative to the interval from 5615 feet to 6795 feet below the surface measured from the derrick floor as shown on this type log. The Blinebry marker has been defined by the NMOCD at a depth of 5457 feet (elevation 3380, sub-sea datum 2077) in Exxon State S#30 well located in the SW/4 NW/4 of Section 2, Township 22 South, Range 37 East. The proposed unit consists of 2080.00 acres, more or less, of Federal and Fee lands in the following acreage:

Township 21 South, Range 37 East, NMPM

Section 1: Lots 11 thru 15, SW/4 and W/2SE/4
Section 11: E/2 and NW/4
Section 12: W/2NE/4, NW/4, W/2SE/4, SW/4
Section 13: W/2, W/2NE/4 and NW/4SE/4
Section 14: NE/4 and E/2SE/4

This unit is to be designated as the East Blinebry-Drinkard Unit. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including a participation formula, capital investment to each of the various tracts in the unit area; the determination of credit and charges to be made among the various owners in the unit area for their investment in wells and equipment and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a non-consent penalty for risk to be charged against carried working interest owners within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. This Unit is located approximately 4 miles Northeast of Eunice, New Mexico.

CASE 13153: Continued from May 19, 2005, Examiner Hearing

Application of Yates Petroleum Corporation to re-open Case No. 13153 to permit Yates to withdraw its election to participate in further operations on the State "X" Well No. 1 and hereafter be a "non-consenting working interest owner" in the well and, pursuant to the provisions of Order No. R-12108-C, to determine the reasonableness of the actual well costs to be refunded by Pride Energy Company to Yates Petroleum Corporation pursuant to this order, Lea County, New Mexico. Applicant seeks an order (1) authorizing Yates to withdraw its election to participate in further operations by Pride Energy Corporation to re-enter the State "X" Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, and (2) determining the reasonableness of the actual well costs that Yates is entitled to recover from Pride Energy Company pursuant to the provisions of Order No. R-12108-C. Said unit is located approximately 12 miles west northwest of Tatum, New Mexico.

CASE 13492: Readvertised

Application of Samson Resources Company, Kaiser-Francis Oil Company, and Mewbourne Oil Company for cancellation of two drilling permits and approval of a drilling permit, Lea County, New Mexico. Applicants seek an order canceling two drilling permits issued to Chesapeake Operating, Inc. covering (i) the S/2 of Section 4, Township 21 South, Range 35 East, and (ii) Lots 9-16 of said Section 4, and requiring the Division's Hobbs District office to approve a drilling permit filed by Mewbourne Oil Company covering Lots 9, 10, 15, 16, and the SE/4 of Section 4, to form a standard 320-acre gas spacing and proration unit in the South Osudo-Morrow Gas Pool. The units are located approximately 6-1/2 miles west of Oil Center, New Mexico.