

CASE 13087: Continued from June 19, 2003, Examiner Hearing.

Application of Ocean Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Lower Mississippian Lime formation underlying the following described acreage in Section 27, Township 16 South, Range 35 East, in the following manner: the N/2 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 Shoe Bar-Atoka Gas Pool, Undesignated South Shoe Bar-Morrow Gas Pool, Undesignated Townsend-Morrow Gas Pool, and Undesignated Townsend-Mississippian Gas Pool; and the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Eidson Ranch "27" State Com. Well No. 1, to be drilled at an orthodox location in the NW/4 NW/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 units are located approximately 6½ miles southwest of Lovington, New Mexico.

CASE 13103:

Application of V-F Petroleum Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from a depth of 3,500 feet (the approximate base of the San Andres formation) to 11,152 feet (the approximate base of the Morrow formation) underlying the N/2 of Section 34, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, in the following manner:

- A. The N/2 forming a standard 320-acre spacing and proration unit for any and all formations and/or pools spaced on 320 acres within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Turkey Track-Morrow Gas pool;
- B. The NW/4 forming a standard 160-acre spacing and proration unit for any and all formations and/or pools spaced on 160 acres within said vertical extent; and
- C. The NE/4 NW/4 forming a standard 40-acre spacing and proration unit for any and all formations and/or pools spaced on 40 acres within said vertical extent. Said units are to be dedicated to its Samuel Burns "34" State Well No. 3 located at a standard gas well location 450 feet from the North line and 2,100 feet from the East line (Unit B) of said Section 34. 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 V-F Petroleum Inc. as operator of the well and a charge for risk involved in drilling said well.

Said area is located approximately 14 miles southeast of Artesia, New Mexico.

CASE 13045: (Reopened and Readvertised - Continued from June 19, 2003, Examiner Hearing.

Application of Yates Petroleum Corporation for an unorthodox infill oil well location, Chaves County, New Mexico. Applicant seeks an unorthodox infill oil well location in the Pecos Slope-Pennsylvanian Pool for its proposed George "QJ" Federal Well No. 11 to be drilled 2080 feet from the North line and 1350 feet from the West line (Unit F) of Section 26, Township 6 South, Range 25 East, which is located approximately 13.5 miles north of the Pecos River bridge on U. S. Highway 70. This location will be an exception to the well location requirements provided within the "(Temporary) Special Pool Rules for the Pecos Slope-Pennsylvanian Pool", as promulgated by Division Order No. R-11721, and made permanent by Division Order No. R-11721-A, for an infill oil well within an existing standard 320-acre stand-up oil spacing and proration unit comprising the W/2 of Section 26. This 320-acre Pennsylvanian oil unit is currently dedicated to the applicant's George "QJ" Federal Well No. 10 (API No. 30-005-63368), located at a standard oil well location 660 feet from the South line and 1500 feet from the West line (Unit N) of Section 26.