

CASE 13040: Continued from June 19, 2003, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for Approval of a Waterflood Project for its East Hobbs-Blinebry Pool Cooperative Waterflood Area and Qualification of said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its East Hobbs-Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry formation, East Hobbs-Blinebry Pool through one injection well located in the following described area:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM

Irregular Section 29: Lots 1, 2, 3 and 4 (E/2 equivalent), SW/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located on the New Mexico-Texas State line approximately 2 miles east of Hobbs, New Mexico.

CASE 13124: **Application of Unit Petroleum Company for Compulsory Pooling and an Unorthodox Gas Well Location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from approximately 11,920 feet subsurface to the base of the Morrow formation underlying the E/2 of Section 23, Township 20 South, Range 35 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 West Osodo-Morrow Gas Pool. The unit is to be dedicated to applicant's Byers Well No. 1, to be drilled at an unorthodox gas well location 2100 feet from the South line and 1600 feet from the East line (Unit J) of Section 23. 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 10½ miles southwest of Monument, New Mexico.

CASE 13115: Continued from July 24, 2003, Examiner Hearing

Application of Nadel and Gussman Permian, L.L.C. for a Non-standard Gas Spacing and Proration Unit and an Unorthodox Gas Well Location, or for Alternative Relief, Eddy County, New Mexico. Applicant seeks an order approving a non-standard gas spacing and proration unit in the Delaware formation comprised of the W/2 SE/4 of Section 28, Township 21 South, Range 27 East. The unit will be dedicated to applicant's existing Tucker Fee Well No. 1Y, located at an unorthodox gas well location 1600 feet from the South line and 2300 feet from the East line of Section 28. In the alternative, applicant requests that the Division declare (i) the well is an oil well because it is within the boundaries of the North Esperanza-Delaware (Oil) Pool, (ii) the NW/4 SE/4 of Section 28 is properly dedicated to the well, and (iii) the well's location is orthodox. The unit is located approximately 3 miles northeast of Carlsbad, New Mexico.

CASE 13125: **Application of Pecos Production Company for Pool Creation and Special Pool Rules, Lea County, New Mexico.** Applicant seeks creation of the East Dean-Wolfcamp Pool, to initially cover the SW/4 of Section 2, Township 16 South, Range 37 East, and the promulgation of Special Rules and Regulations for the pool, including provisions for 80-acre spacing. The pool is located approximately 7 miles east of Lovington, New Mexico.

CASE 13116: Continued from July 24, 2003, Examiner Hearing

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the E/2 of Section 12, Township 21 South, Range 27 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 Alacran Hills-Wolfcamp Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, and Undesignated Burton Flat-Morrow Gas Pool. The unit is to be dedicated to applicant's Esperanza "12" Fed. Com. Well No. 1, to be drilled at an orthodox location in the NW/4 NE/4 of Section 12. 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 7½ miles northeast of Carlsbad, New Mexico.