

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CONTINUED AND DISMISSED CASES

RECEIVED

DEC 4 2003

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

BEFORE: DAVID R. CATANACH, Hearing Examiner

November 20th, 2003

Santa Fe, New Mexico

These matters came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, November 20th, 2003, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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I N D E X

November 20th, 2003
Continued and Dismissed Cases

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REPORTER'S CERTIFICATE

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WHEREUPON, the following proceedings were had at
8:19 a.m.:

EXAMINER CATANACH: Call the hearing to order
this morning for Docket Number 38-03. Let me go ahead and
call the continuances and dismissals.

On page 1, Case 13,179 is continued to December
4th. Case 13,171 is continued to December 18th. Case
13,184 is continued to December 4th. Case 13,185 is
continued to December 18th.

On page 2, Case 13,177 is continued to December
4th and Case 13,146 is dismissed.

(Thereupon, these proceedings were concluded at
8:20 a.m.)

* * *

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on November 20 2003
David J. Catanach, Examiner
Oil Conservation Division

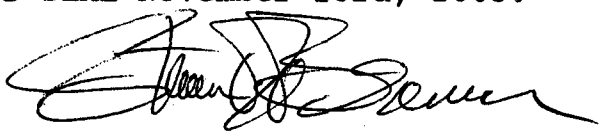
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL November 23rd, 2003.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006

CASE 13201: **Application of Yates Petroleum Corporation for a Unit Agreement, Lea County, New Mexico.** Applicant seeks approval of the Willie State Exploratory Unit for an area comprising 2,240 acres, more or less, of State of New Mexico lands situated in Sections 25 and 36 of Township 11 South, Range 34 East; Sections 30 and 31 of Township 11 South, Range 35 East; and Section 6 of Township 12 South, Range 35 East. Said area is located approximately 10 miles northwest of Tatum, New Mexico.

CASE 12681: **Continued from December 4, 2003, Examiner Hearing.**

In the matter of Case 12681 being reopened pursuant to the provisions of Division Order No. R-11680, which order promulgated temporary special pool rules for the Big Dog-Atoka Pool in Lea County, New Mexico, including provisions for 80-acre spacing units and designated well locations. Operators in the Big Dog-Atoka Pool should appear and show cause why the temporary special pool rules established for this pool should not be rescinded and the pool not be developed on statewide 40-acre spacing.

CASE 13193: **Readvertised**

Application of Chi Energy, 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 3, Township 22 South, Range 26 East, and in the following manner: The S/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 the Undesignated Happy Valley-Strawn Gas Pool, Undesignated Happy Valley-Atoka Gas Pool, and Undesignated Happy Valley-Morrow Gas Pool; the SW/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; and the SW/4 SW/4 to form a standard 40-acre oil 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 West Carlsbad 3 Well No. 2, to be located at an orthodox location in the SW/4 SW/4 of Section 3. 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 Chi Operating, Inc. as operator of the well, and a cost plus 200% charge for the risk involved in drilling and completing the well. The units are located approximately 3 miles west of Carlsbad, New Mexico.

CASE 13194: **Readvertised**

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 base of the Wolfcamp formation to the base of the Morrow formation underlying the following described acreage in Section 22, Township 22 South, Range 27 East, and in the following manner: The N/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 East Carlsbad-Wolfcamp Gas Pool, Carlsbad-Strawn Gas Pool, Undesignated Otis-Atoka Gas Pool, and Undesignated South Carlsbad-Morrow Gas Pool; and the NW/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, including the Undesignated North Cass Draw-Wolfcamp Pool. The units are to be dedicated to applicant's Grandi Well No. 2, to be located at an orthodox location in the NW/4 NW/4 of Section 22. 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 cost-plus 200% charge for the risk involved in drilling and completing the well. The units are located approximately 2 miles north-northeast of Otis, New Mexico.

CASE 13171: **Continued from December 18, 2003, Examiner Hearing.**

Application of Leede Operating Company, L.L.C. for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 SE/4 of Section 7, Township 19 South, Range 39 East, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Foster-San Andres Pool and Undesignated Nadine Drinkard-Abo Pool. The unit is to be dedicated to the Schubert "7" Well No. 1, to be drilled at an orthodox oil well location in the NW/4 SE/4 of Section 7. 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 Sahara Operating Company as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles southeast of Hobbs, New Mexico.