

**CASE 12303:** Continued from December 2, 1999, Examiner Hearing.

**Application of Raptor Resources, Inc. for two unorthodox infill gas well locations, Lea County, New Mexico.** Applicant seeks exceptions to the well location requirements provided within the "Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, for two unorthodox Jalmat infill gas well locations within an existing non-standard 480-acre gas spacing and proration unit (approved by Division Order No. R-9073, dated December 14, 1989) comprising the N/2 and the SW/4 of Section 9, Township 22 South, Range 36 East, which is located approximately 8 miles west by south of Eunice, New Mexico. The two existing: (i) State "A" A/C-2 Well No 30 (API No. 30-025-08855), located at an unorthodox Jalmat infill gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 9; and (ii) State "A" A/C-2 Well No. 48 (API No. 30-025-08845), located at an unorthodox Jalmat infill gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 9, are currently completed in the South Eunice-Seven Rivers-Queen Pool at standard oil well locations; however, both are to be plugged back and recompleted up-hole into the Jalmat Gas Pool. This unit is currently simultaneously dedicated to the applicant's State "A" A/C-2 Wells No. 1, 4, 29, 38, 40, 57, 63, 67, and 72.

**CASE 12304:** Continued from December 2, 1999, Examiner Hearing.

**Application of Raptor Resources, Inc. for an unorthodox infill gas well location, Lea County, New Mexico.** Applicant seeks an exception to the well location requirements provided within the "Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, for an unorthodox Jalmat infill gas well location within an existing standard 640-acre gas spacing and proration unit comprising all of Section 8, Township 22 South, Range 36 East, which is located approximately 8 miles west by south of Eunice, New Mexico. The existing State "A" A/C-2 Well No. 54 (API No. 30-025-08841), located at an unorthodox Jalmat infill gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 8, is currently completed in the South Eunice-Seven Rivers-Queen Pool at a standard oil well location; however, this well is to be plugged back and recompleted up-hole into the Jalmat Gas Pool. This unit is currently simultaneously dedicated to the applicant's State "A" A/C-2 Wells No. 3, 24, 25, 26, 43, and 70.

**CASE 12086:** Consolidated – Continued from December 2, 1999, Examiner Hearing.

**Application of Yates Petroleum Corporation and Hanley Petroleum Inc. for allowable reduction and the escrow of production proceeds, Lea County, New Mexico.** Applicants seek an order (1) reducing the depth bracket allowable for wells in the West Lovington-Strawn Pool to a level that will only permit operators to avoid lease terminations for failure of wells to produce in paying quantities; (2) providing for termination of the reduced depth bracket allowable for the pool when the West Lovington Strawn Unit is expanded to protect the correlative rights of each owner in the pool pursuant to a ratified statutory unitization order of the Oil Conservation Commission; and (3) requiring Gillespie-Crow, Inc. to escrow all payments received for production from the unit, and less payments for royalties and taxes thereon, from the date of the order until the unit has been expanded pursuant to a ratified statutory unitization order of the Commission to include all lands affected by the pressure maintenance project being conducted in the pool. The unit is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

**CASE 12086:** Consolidated - Continued from December 2, 1999, Examiner Hearing.

**Application of Energen Resources Corporation for allowable reduction and the escrow of production proceeds, Lea County, New Mexico.** Applicants seek an order (1) reducing the depth bracket allowable for wells in the West Lovington-Strawn Pool to a level that will only permit operators to avoid lease terminations for failure of wells to produce in paying quantities; (2) providing for termination of the reduced depth bracket allowable for the pool when the West Lovington Strawn Unit is expanded to protect the correlative rights of each owner in the pool pursuant to a ratified statutory unitization order of the Oil Conservation Commission; and (3) requiring Gillespie-Crow, Inc. to escrow all payments received for production from the unit, and Snyder "C" Well No. 4, and the Snyder "EC" Com Well No. 1, less payments for royalties and taxes thereon, from the date of the order until the unit has been expanded pursuant to a ratified statutory unitization order of the Commission to include all lands affected by the pressure maintenance project being conducted in the pool. The unit is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

**CASE 12321:** In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Lea County, New Mexico..

- (a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Upper Silurian production and designated as the North Fowler-Upper Silurian Pool. The discovery well is the Altura Energy Ltd. South Mattix Unit Federal Well No. 24 located in Unit O of Section 15, Township 24 South, Range 37 East, NMPM. Said pool would comprise:

**TOWNSHIP 24 SOUTH, RANGE 37 EAST, NMPM**

Section 15: SE/4

- (b) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Southwest Lovington-Abo Pool. The discovery well is the David H. Arrington Oil & Gas Inc. Brassie Well No. 1 located in Unit I of Section 33, Township 16 South, Range 36 East, NMPM. Said pool would comprise:

**TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM**

Section 33: SE/4

**CASE 12303:** Continued from December 2, 1999, Examiner Hearing.

**Application of Raptor Resources, Inc. for two unorthodox infill gas well locations, Lea County, New Mexico.** Applicant seeks exceptions to the well location requirements provided within the "Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, for two unorthodox Jalmat infill gas well locations within an existing non-standard 480-acre gas spacing and proration unit (approved by Division Order No. R-9073, dated December 14, 1989) comprising the N/2 and the SW/4 of Section 9, Township 22 South, Range 36 East, which is located approximately 8 miles west by south of Eunice, New Mexico. The two existing: (i) State "A" A/C-2 Well No 30 (API No. 30-025-08855), located at an unorthodox Jalmat infill gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 9; and (ii) State "A" A/C-2 Well No. 48 (API No. 30-025-08845), located at an unorthodox Jalmat infill gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 9, are currently completed in the South Eunice-Seven Rivers-Queen Pool at standard oil well locations; however, both are to be plugged back and recompleted up-hole into the Jalmat Gas Pool. This unit is currently simultaneously dedicated to the applicant's State "A" A/C-2 Wells No. 1, 4, 29, 38, 40, 57, 63, 67, and 72.

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**CASE 12086:** Consolidated - Continued from December 2, 1999, Examiner Hearing.

**Application of Energen Resources Corporation for allowable reduction and the escrow of production proceeds, Lea County, New Mexico.** Applicants seek an order (1) reducing the depth bracket allowable for wells in the West Lovington-Strawn Pool to a level that will only permit operators to avoid lease terminations for failure of wells to produce in paying quantities; (2) providing for termination of the reduced depth bracket allowable for the pool when the West Lovington Strawn Unit is expanded to protect the correlative rights of each owner in the pool pursuant to a ratified statutory unitization order of the Oil Conservation Commission; and (3) requiring Gillespie-Crow, Inc. to escrow all payments received for production from the unit, and Snyder "C" Well No. 4, and the Snyder "EC" Com Well No. 1, less payments for royalties and taxes thereon, from the date of the order until the unit has been expanded pursuant to a ratified statutory unitization order of the Commission to include all lands affected by the pressure maintenance project being conducted in the pool. The unit is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

**CASE 12321:** In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Lea County, New Mexico..

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**TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM**

Section 33: SE/4