

Examiner Hearing - April 2, 1998

Docket No. 8-98

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CASE 11955: **Application of Devon Energy Corporation (Nevada) 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 W/2 of Section 22, Township 21 South, Range 26 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the Avalon-Morrow Gas Pool, and forming a standard 160-acre gas spacing and proration unit underlying the NW/4 of said Section 22 for any and all formations/pools developed on 160-acre gas spacing. Said units are to be dedicated to its Carlsbad 22 "E" State Well No. 1 to be drilled and completed at a standard gas well location in Unit E of said Section 22. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs 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 said well. Said unit is located approximately 5 miles northwest of Carlsbad, New Mexico.

CASE 11956: **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 Wolfcamp formation to the base of the Morrow formation underlying the N/2 of Section 35, Township 23 South, Range 26 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the North Black River-Atoka Gas Pool and the South Carlsbad-Morrow Gas Pool. Said unit is to be dedicated to its Black River "35" State Com. Well No. 1, located 760 feet from the North line and 1650 feet from the West line (Unit C) of said Section 35. Also to be considered will be the designation of applicant as operator of the well. Said unit is located approximately 9 miles northeast of Whites City, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 11957: **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 Bone Spring formation underlying the NW/4 NE/4 (Unit B) of Section 21, Township 24 South, Range 28 East, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within said vertical extent, including but not limited to the Undesignated North Willow Lake-Delaware Pool and the Undesignated Malaga-Bone Spring Pool. Said unit is to be dedicated to the re-entered Pardue Farms "21" Well No. 1, at an orthodox oil well location 990 feet from the North line and 1980 feet from the East line of said Section 21. 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 applicant as operator of the well, and a charge for the risk involved in drilling said well. Said unit is located approximately 2 miles southwest of Malaga, New Mexico.

CASE 11934: (Continued from March 19, 1998, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests underlying the following described acreage in irregular Section 2, Township 16 South, Range 35 East, in the following manner: Lots 11, 12, 13, 14 and the SW/4 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 said vertical extent; Lots 11, 12, 13 and 14 to form a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; Lots 13 and 14 to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent; and Lot 13 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said units are to be dedicated to the proposed Fields "APK" State Com Well No. 3 which will be drilled at a standard location 3300 feet from the South line and 760 feet from the West line of said Section 2. 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 applicant as operator of the well and a charge for the risk involved in drilling said well. Said area is located approximately 4 miles west of Lovington, New Mexico.

CASE 11958: **Application of UMC Petroleum Corporation for compulsory pooling and an unorthodox well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in irregular Section 2, Township 16 South, Range 35 East, and in the following manner: Lots 9-16 of Section 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 said vertical extent, including the Undesignated Townsend-Morrow Gas Pool and the Undesignated North Townsend-Mississippian Gas Pool; and Lots 13 and 14 of Section 2 to form a standard 80-acre oil spacing and proration unit for any formations and/or pools spaced on 80 acres within said vertical extent, including the South Big Dog-Strawn Pool. Said units are to be dedicated to its Townsend State Com. Well No. 2, located at an unorthodox location 3250 feet from the South line and 1400 feet from the West line of said Section 2. 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 applicant as operator of the well, and a charge for the risk involved in drilling said well. Said unit is located approximately 5 miles west-northwest of Lovington, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - APRIL 2, 1998

8:15 AM - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 9-98 and 10-98 are tentatively set for April 16, 1998 and April 30, 1998. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11932: (Continued from March 5, 1998, Examiner Hearing.)

Application of Pioneer Natural Resources USA, Inc. 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 NE/4 SW/4 of Section 18, Township 20 South, Range 39 East to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. Said unit is to be dedicated to a well to be drilled to a depth sufficient to test the Abo formations (approximately 8,000 feet) at a standard location in said Section 18. 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 applicant as operator of the well and a charge for the risk involved in drilling said well. Said unit is located approximately 4 miles southeast of Nadine, New Mexico.

CASE 11933: (Continued from March 5, 1998, Examiner Hearing.)

Application of Bass Enterprises Production Co. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests underlying the following described acreage in Section 13, Township 16 South, Range 36 East, in the following manner: from the surface to the top of the Pennsylvanian formation, at an approximate depth of 10,890 feet, the NW/4 SE/4 to form a 40-acre spacing and proration unit for all formations and/or pools developed on 40-acre spacing within said vertical extent; and within the Pennsylvanian formation from the approximate depth of 10,890 feet to the total depth drilled of 11,450 feet; the W/2 NE/4 to form an 80-acre spacing and proration unit for all formations and/or pools developed on 80-acre spacing within said vertical extent. Said units are to be dedicated to the proposed Montieth "C" Well no. 1 which will be drilled at a standard location 660 feet from the North line and 1830 feet from the East line (Unit B) of said Section 13. 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 applicant as operator of the well and a charge for the risk involved in drilling said well. Said units are located approximately 2 miles east of Lovington, New Mexico.

CASE 11948: (Readvertised)

Application of Sonat Exploration Company for lease commingling, Eddy and Lea Counties, New Mexico. Applicant seeks an exception to Division General Rules 309.A to permit commingling of Delaware oil production from ten various Federal leases in Sections 1, 8, 9, 10, 11, 12 and 15, Township 24 South, Range 31 East, Eddy County and in Section 18, Township 24 South, Range 32 East, Lea County. Said area is approximately located at the intersection of State and Highway 128 the Eddy/Lea County Line.

CASE 11368: (Reopened)

Application of Plains Petroleum Operating Company for expansion of a previously approved pressure maintenance project and to qualify said expansion for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks to expand its Teague-Simpson (McKee) Pressure Maintenance Project approved by Order No. R-10474 to include the NE/4 of Section 34 and the NW/4 of Section 35, Township 23 South, Range 37 East. Applicant further seeks to qualify this expansion 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 project is located approximately 12 miles south of Eunice, New Mexico.

CASE 11905: (Continued from March 5, 1998, Examiner Hearing.)

Application of Devon Energy Corporation (Nevada) for simultaneous dedication, Eddy County, New Mexico. Applicant seeks an exception to Division Rule 104.D.(3) to permit it to drill its Pure Fed. Well No. 3 at a location 1650 feet from the North and East lines (Unit G) of Section 11, Township 21 South, Range 25 East, to test the Catclaw Draw-Morrow Gas Pool, and to simultaneously dedicate Section 11, in the Morrow formation, to the Pure Fed. Well No. 3 and its existing Pure Fed. Well Nos. 1 and 2. Said unit is located approximately 9.5 miles northwest of Carlsbad, New Mexico.