

DOCKET: COMMISSION HEARING - THURSDAY – OCTOBER 14, 1999

**9:00 A.M. - OCD Hearing Room
2040 S. Pacheco
Santa Fe, New Mexico**

The Land Commissioner's designee for this hearing will be Jami Bailey or Gary Carlson

The minutes of the September 23, 1999, Commission hearing will be adopted.

The Oil Conservation Commission may vote to close the open meeting to deliberate any De Novo cases heard at this hearing.

CASE 12186: De Novo - Continued from September 23, 1999, Commission Hearing.

Application of Chesapeake Operating Inc. for compulsory pooling, Lea 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 15, Township 16 South, Range 35 East, in the following manner: (a) the E/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre gas spacing within that vertical extent, including the Townsend-Morrow Gas Pool and the North Shoe Bar-Atoka Gas Pool; (b) the NE/4 to form a standard 160-acre gas spacing and proration for any formations and/or pools developed on 160-acre gas spacing within that vertical extent, including the North Shoe Bar-Wolfcamp Gas Pool; (c) the E/2 NE/4 to form a standard 80-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre oil spacing within that vertical extent; and (d) the SE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre oil spacing within that vertical extent, including the Townsend-Permo Upper Pennsylvanian Pool. These units are to be dedicated to its Boyce "15" Well No. 1 which will be located at a standard location within Unit H of the section. Also to be considered will be the costs of drilling and completing this 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 risk involved in this well. This unit is located approximately 5 ½ miles southwest of the center of the City of Lovington, New Mexico. Upon application of Ameristate Oil & Gas, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 12148: De Novo

Application of The Wiser Oil Company to qualify the Skelly Unit Area Waterflood Expansion Project for the Recovered Oil Tax Rate, Eddy County, New Mexico. Applicant seeks to qualify the Skelly Unit Area Waterflood Expansion Project (Grayburg-Jackson Pool) for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (Sections 7-29A-1 through 7-29A-5, NMSA 1978). The unit area covers all or part of Sections 13, 14, 21-23, and 26-28, Township 17 South, Range 31 East. The unit area is centered approximately 1 mile east-northeast of the intersection of U.S. Highway 82 and State Highway 529. Upon application of The Wiser Oil Company, this case will be heard De Novo pursuant to the of Rule 1220.

CASE 12149: De Novo

Application of The Wiser Oil Company to qualify the State "D" Lease Waterflood Expansion Project for the recovered oil tax rate, Eddy County, New Mexico. Applicant seeks to qualify the State "D" Lease Waterflood Expansion Project (Grayburg-Jackson Pool) covering part of Section 26, Township 17 South, Range 31 East, for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (Sections 7-29A-1 through 7-29A-5, NMSA 1978). The lease is located approximately 2 miles east-southeast of the intersection of U.S. Highway 82 and State Highway 529. Upon application of The Wiser Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 12150: De Novo

Application of The Wiser Oil Company to qualify the State "AZ" Lease Waterflood Expansion Project for the recovered oil tax rate, Eddy County, New Mexico. Applicant seeks to qualify the State "AZ" Lease Waterflood Expansion Project (Grayburg-Jackson Pool), covering the SW/4 SW/4 of Section 16, Township 17 South, Range 31 East, for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (Sections 7-29A-1 through 7-29A-5, NMSA 1978). The lease is located approximately 1 mile north-northwest of the intersection of U.S. Highway 82 and State Highway 529. Upon application of The Wiser Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.