

DOCKET: EXAMINER HEARING - THURSDAY – DECEMBER 6, 2001

**8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico**

Docket Nos. 41-01 and 42-01 are tentatively set for December 20, 2001 and January 10, 2002. 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 12773: Application of KUKUI Operating Company for compulsory pooling and a non-standard gas spacing and proration unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface through the base of the Morrow formation in the following described non-standard spacing and proration unit located in irregular Section 6, Township 16 South, Range 35 East, comprised of Lots 1, 2, 7, 8, 9, 10, 15 and 16 containing 329.83 acres for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Eidson-Morrow Gas Pool. This pooled unit is to be dedicated to KUKUI's DeGas "6" State Com Well No. 1 to be drilled at a standard location 1980 feet from the North line and 1200 feet from the East line of said Section 6 to a depth sufficient to test any and all formations from the surface through the Morrow formation. Also to be considered will be the cost of drilling and completing said well, the allocation of the cost thereof as well as actual operating costs and charges for supervision, provisions governing subsequent operations on the pooled unit, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. Said area is located approximately 8 miles West of Lovington, New Mexico.

CASE 12320: Continued from November 1, 2001, Examiner Hearing.

Application of Chevron U.S.A. Production Co. for Approval to convert the EMSU Wells No. 210, 212, 222, 252 and 258 to Injection in the Eunice Monument South Unit, Lea County, New Mexico. Applicant seeks approval to convert its EMSU Wells No. 210, 212, 222, 252 and 258 to injection in the Eunice Monument South Unit (EMSU). These wells are designed to improve recovery efficiency of the waterflood patterns and enhance production of the EMSU secondary recovery project. The wells are located in the following locations: No. 210 - Section 4, Unit K, Township 21 South, Range 36 East; No. 252 - Section 5, Unit I, Township 21 South, Range 36 East; No. 222 - Section 6, Unit O, Township 21 South, Range 36 East; No. 252 - Section 6, Unit W, Township 21 South, Range 36 East; No. 258 - Section 4, Unit U, Township 21 South, Range 36 East. Water will be injected into the unitized interval of the Eunice Monument Grayburg-San Andres Pool which has an upper limit of 100 feet below mean sea level or the top of the Grayburg formation, whichever is higher, to a lower limit of the base of the San Andres formation. Injection will occur at an expected maximum pressure rate of 1500 barrels of water per day and an expected maximum pressure of 750 pounds per square inch. This area is approximately one mile west-southwest of Oil Center, New Mexico.

CASE 12764: Continued from November 15, 2001, Examiner Hearing.

Application of Discovery Exploration for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Lowe Exploratory Unit for an area comprising 80 acres of fee lands in Sections 28 and 29, Township 12 South, Range 38 East, which is located approximately 11 miles east of Tatum, New Mexico.

CASE 12765: Continued from November 15, 2001, Examiner Hearing.

Application of Discovery Exploration for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location in the Devonian formation,

Trinity-Devonian Pool, for its Lowe Well No. 1 to be drilled at an unorthodox gas well location 2300 feet from the South line and 100 feet from the East line of Section 29, Township 12 South, Range 38 East. Said well is located approximately 11 miles east of Tatum, New Mexico.

CASE 12774: **Application of Texaco Exploration and Production Inc. for an exception to Division Rule 104.D (3), Lea County, New Mexico.** Applicant seeks an exception to Division Rule 104.D (3) in order to simultaneously dedicate production attributed to the Mid Justis-Abo Gas Pool (96543) within an existing 160-acre standard gas spacing unit comprising the SE/4 of Section 24, Township 25 South, Range 37 East, from the following two wells: (i) A. B. Coats "C" Well No. 9 (API No. 30-025-11731), located at a standard surface gas well location 1980 feet from the South and East lines (Unit J) of Section 24, to be recompleted into the Abo formation by kicking-off within the existing vertical wellbore in a southern direction and directionally drilling to a standard subsurface gas well in Unit "J" of Section 24; and (ii) A. B. Coats "C" Well No. 15 (API No. 30-025-11728), located at a standard surface gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 24 and completed within the Abo formation at a standard subsurface gas well location in Unit "P" of Section 24. This unit is located approximately five miles east of Jal, New Mexico.

CASE 12775: **Application of Concho Oil & Gas Corp. for compulsory pooling, an unorthodox oil well location and various non-standard proration and spacing units, 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 Irregular Section 6, Township 16 South, Range 34 East, in the following manner: (i) Lots 3-6 and 11-14 to form a non-standard 298.36-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 Hume-Morrow Gas Pool and Hume-Atoka Gas Pool; (ii) Lots 11-14 to form a non-standard 143.76-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and (iii) Lot 11 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent including but not limited to the Kenmitz Cisco Pool, the Wolcamp formation and the Strawn formation. The units are to be dedicated to its Big "D" State Well No. 1 to be drilled and completed at standard gas well location, but in the event of oil production, then an unorthodox oil well location 659 feet from the South line and 147.96 feet from the West line of Lot 11 of this section. Applicant further seeks an order prescribing terms ("operating provisions") pursuant to which future operations may be conducted in accordance with applicant's Joint Operating Agreement. 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 the applicant as the operator of the well and a charge for risk involved in said well. Said unit(s) is located approximately 11 miles northeast of Maljamar, New Mexico.

CASE 12776: **Application of OXY USA WTP Limited Partnership for a discovery oil allowable, pool creation and adoption of special rules and regulations for the proposed West Upper Pennsylvanian Pool, Eddy County, New Mexico.** Applicant seeks the creation of a new oil pool consisting of the SE/4 of Section 15, Township 18 South, Range 25 East, for Upper Pennsylvanian production from its Engelbert Well No. 1 located in Unit I of Section 15; the assignment of a discovery allowable and special pool rules including 160-acre oil proration and spacing units, a limitation of one well per unit, and well locations not closer than 660 feet to the outer boundary of a spacing unit nor closer than 10 feet to any interior quarter-quarter section line. The well is located approximately 8 miles southeast of Artesia New Mexico.