

DOCKET: EXAMINER HEARING - THURSDAY – NOVEMBER 1, 2001

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 37-01 and 38-01 are tentatively set for November 15, 2001 and December 6, 2001. 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 12746: **Application of V-F Petroleum, Inc. L.L.C. for order granting exceptions to special pool rules established by Order No. R-3022.** Applicant seeks an order approving a proposed bottomhole well location 950 feet from the North line and 760 feet from the West line of said Section, and a second well on a 640-acre proration unit comprised of all acreage within Section 22, Township 20 South, Range 30 East, Eddy County, New Mexico. Said acreage is subject to special pool rules established by Order No. R-3022, adopted January 1, 1966, which provide that the standard spacing unit for Dos Hermanos-Morrow Gas Pool is 640 acres and that each well within the subject pool shall be located no nearer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section line. Both the requested location and the requested acreage dedication are standard under Division Rule 104. However, due to the special pool rules established by Order No. R-3022, to efficiently drain the reserves underlying the subject acreage, to prevent waste and to protect correlative rights, it is necessary to grant an exception to special pool rules 2 and 4, and permit V-F Petroleum to drill, produce and operate the Hale Federal Com. Well No. 3 at the proposed bottomhole location. Said area is located approximately 17 miles Northeast of Carlsbad, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12747: **Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, Rio Arriba County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations from the base of the Pictured Cliffs formation to the base of the Mesaverde formation in the N/2 of Section 25, Township 25 North, Range 3 West, for all formations and/or pools developed on 320-acre spacing, which includes but is not necessarily limited to the Mesaverde formation, Blanco-Mesaverde Gas Pool. Said unit is to be dedicated to applicant's proposed Naomi Well No. 2 to be drilled at a standard location in the NW/4 of said Section 25. 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 risk involved in drilling said well. Said area is located approximately 5 miles southwest of Lindrieth, New Mexico.

CASE 12748: **Application of BTA Oil Producers for simultaneous dedication, Lea County, New Mexico.** Applicant seeks an exception to Division Rule 104.C.(2)(b) to permit the simultaneous dedication of the following wells to a 320-acre spacing and proration unit in the Atoka formation comprised of the N/2 of Section 35, Township 22 South, Range 34 East: the Maddox Federal "B" Well No 1 to be recompleted from the Morrow formation at a location 1980 feet from the North and West lines and the Maddox Federal "B" Well No. 2 located at a standard gas well location 1980 feet from the North line and 660 feet from the West line of said Section 14 in the Antelope Ridge-Atoka Gas Pool. Said wells are located approximately 28 miles southwest of Eunice, New Mexico.

CASE 12320: **Continued from October 4, 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 12749: **Application of EOG Resources, Inc. for compulsory pooling and an unorthodox gas well location, 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 spacing and proration units located in Section 13, Township 18 South, Range 32 East: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Corbin-Morrow Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre spacing; the N/2 SE/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated South Corbin-Wolfcamp Pool and the NE/4 SE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Querecho Plains-Upper Bone Spring Pool, to be dedicated to the Mantaray "13" Federal Com Well No. 1 to be drilled at an unorthodox gas well location in all formations developed on 320-acre and 160-acre and 80-acre spacing at a point 2306 feet from the South line and 936 feet from the East line 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 risk involved in drilling said well. Said area is located approximately 15 miles southeast of Loco Hills, New Mexico.

CASE 12735: **Continued from October 18, 2001, Examiner Hearing.**

Application of Louis Dreyfus Natural Gas Corporation 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 4, Township 23 South, Range 26 East, in the following manner: the E/2 to form a standard 320-acre gas spacing unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently includes but is not necessarily limited to the South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing unit for all formations and/or pools developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre spacing unit for all formations and/or pools developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to Applicant's proposed Saragossa 4 Fed Com Well No. 1 to be located at a standard location in Unit I of this section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a charge for risk involved in drilling and completing this well. This unit is located approximately 6 miles southwest of Carlsbad, New Mexico.

CASE 12750: **Application of Yates Petroleum Corporation for special pool rules and regulations for the West Lost Tank-Delaware Pool including provisions for a special depth bracket oil allowable, Eddy County, New Mexico.** Applicant seeks a special depth bracket allowable, pursuant to Division