

CASE 12384: Continued from April 20, 2000, Examiner Hearing.

Application of Louis Dreyfus Natural Gas for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from a depth of 4,000 feet to the base of the Morrow formation, underlying the following described acreage in Section 34, Township 17 South, Range 28 East, and in the following manner: (a) the W/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 this vertical extent which presently includes the Empire-Pennsylvanian Gas Pool; (b) the NW/4 to form a standard 160-acre gas spacing and proration unit for all formations developed on 160-acre spacing within said vertical extent; and (c) the SW/4 NW/4 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 this vertical extent which presently includes the Undesignated Empire-Wolfcamp Pool. These three units are to be dedicated to a single well, the proposed Geronimo "34" State Com. Well No. 1, to be drilled within the SW/4 NW/4 (Unit E) of Section 34 at a location considered to be standard for all three units. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and units, and a charge for risk involved in drilling the well. The proposed well location is approximately one-quarter mile southwest of the junction of U. S. Highway No. 82 and New Mexico State Road No. 360.

CASE 12398: **Application of EOG Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the E/2, including but not limited to the Undesignated Crow flats-Morrow Gas Pool, in all formations developed on 160-acre spacing in the SE/4, including but not limited to the Vandagriff Keyes-Queen Gas Pool, and in all formations developed on 40-acre spacing in the SE/4 SE/4 including but not limited to the Undesignated East Red Lake Queen-Grayburg Pool, all in Section 33, Township 16 South, Range 28 East. Said units are to be dedicated to its Zephyr "33" State Com Well No. 1 to be drilled at a standard location in the SE/4 SE/4 of said Section 33 to a depth sufficient to test all formations from the surface to the top of the Mississippian formation. 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 EOG Resources, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 13 miles east of Artesia, New Mexico.

CASE 12399: **Application of EOG Resources, Inc. for approval of a Pilot Waterflood Project in the North Red Hills Unit, Lea County, New Mexico.** Applicant seeks approval of a pilot project for the injection of water into the Bone Spring formation, Red Hills-Bone Spring Pool through one injection well in its proposed North Red Hills Unit Area. The Project Area for this pilot waterflood project is the following area:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 12: S/2

Section 13: N/2

This area is located approximately 21 miles west by north of Jal, New Mexico.

CASE 12329: Continued from April 6, 2000, Examiner Hearing.

Application of EOG Resources, Inc. for a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of a unit agreement for its proposed Red Hills North Unit Area containing 3478.30 acres, more or less, of Federal and State lands comprising all or portions of Sections 6, 7, 8, 17 and 18, Township 25 South, Range 34 East, and all or portions of Sections 1, 12 and 13, Township 25 South, Range 33 East. The unit area is located approximately 19 miles west by north of Jal, New Mexico.

CASE 11826: Reopened. Continued from March 16, 2000, Examiner Hearing.

Application of Quay Valley, Inc. to reopen Case No. 11826 and for amendment of Division Order Nos. R-4629 and R-4629-A to authorize a tertiary recovery project by the injection of microemulsion in its North El Mar-Delaware Unit Waterflood Project Area, and to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a tertiary recovery project in its North El Mar Unit Waterflood Project Area by the injection of microemulsion into the Delaware formation in the El Mar-Delaware Pool. The El Mar-Delaware Unit Waterflood Project Area encompasses portions of Sections 24, 25, 26, 27, 34, 35, and 36 of Township 26 South, Range 32 East, and Sections 19, 30, and 31 of Township 26 South, Range 33 East. Applicant also seeks to increase the approved surface injection pressure for microemulsion injection in this project area to 1160 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the New Mexico Enhanced Oil Recovery Act, NMSA 1978, Sections 7-29A-1 through 7-29A-5. The unit is located approximately 26 miles west-southwest of Jal, New Mexico.

CASE 12400: **Application of Yates Petroleum Corporation for special pool rules and amendment of the depth bracket allowable for the Northwest Shoe Bar-Strawn Pool, Lea County, New Mexico.** Applicant seeks an increase in the depth bracket allowable for the Northwest Shoe Bar-Strawn Pool located in portions of Section 15 of Township 16 South, Range 35 East, to 365 barrels of oil per day for each 40-acre unit to conform the depth bracket allowable to the depth from which wells in this pool are producing. Applicant also seeks the adoption of special pool rules and regulations for this pool including a limiting gas-oil ratio of 6000 cubic feet of gas per barrel of oil produced. Said pool is located approximately 5.5 miles west of Lovington, New Mexico.

CASE 12396: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests underlying the E/2 of Section 12, Township 22 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit for formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the undesignated Catclaw Draw-Wolfcamp Gas Pool, undesignated Hackberry Hills-Canyon Gas Pool, undesignated Hackberry Hills-Atoka Gas Pool, and Revelation-Morrow Gas Pool. Said spacing and proration unit is to be dedicated to Nearburg's proposed White Tip 12 Fed. Com. Well # 1, to be drilled at a standard location in the SE/4 (Unit P) of said Section 12. 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 Nearburg Producing Company, L.L.C., as operator of the well; and, a charge for risk involved in drilling said well. Said area is located approximately 7 miles southwest of Carlsbad, New Mexico.

CASE 12397: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the W/2 of Section 19 Township 17 South, Range 28 East, NMPM, which includes but is not necessarily limited to the Undesignated Logan Draw-Morrow Gas Pool. Said units are to be dedicated to its Mandalay "19" State Com Well No. 1 to be drilled at a standard location 990 feet from the North line and 1650 feet from the West line of said Section 19 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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 Nearburg Producing Company, L.L.C. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 11 miles east of Artesia, New Mexico.

CASE 12382: **Continued from April 20, 2000, Examiner Hearing**

Application of Nearburg Exploration Company, L.L.C. 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 21, Township 19 South, Range 28 East, and in the following manner: (a) the S/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 this vertical extent which presently includes the Undesignated South Millman-Atoka Gas Pool, Undesignated Winchester-Atoka Gas Pool, Undesignated South Millman-Morrow Gas Pool, Undesignated Winchester-Morrow Gas Pool, and Undesignated North Winchester-Morrow Gas Pool; (b) the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; and (c) the SW/4 SE/4 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 this vertical extent which presently includes but is not necessarily limited to the East Millman Yates-Seven Rivers-Queen-Grayburg-San Andres Pool and the Undesignated North Winchester-Wolfcamp Pool. These units are to be dedicated to a single well to be drilled at a location considered to be standard for all three units 660 feet from the South line and 1650 feet from the East line (Unit O) of Section 21. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and the three above-described units, and a charge for risk involved in drilling the well. Further, the East Millman Yates-Seven Rivers-Queen-Grayburg-San Andres Pool underlying the SW/4 SE/4 of Section 21 is currently dedicated to C.F.M. Oil Company's Monsanto State Well No. 1 (API No. 30-015-24252), located at a standard oil well location 986 feet from the South line and 1650 feet from the East line (Unit O) of Section 21. At the time of the hearing it will be necessary for the applicant to address certain issues created by the forced pooling of producing acreage currently operated by another operator. The proposed well location is approximately eleven miles east of Lakewood, New Mexico.

CASE 12383: **Continued from April 20, 2000, Examiner Hearing.**

Application of Nearburg Exploration Company, L.L.C. 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 24, Township 18 South, Range 26 East, and in the following manner: (a) the E/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 this vertical extent which presently includes the Red Lake-Pennsylvanian Gas Pool; (b) the SE/4 to form a standard 160-acre gas spacing and proration unit for all formations developed on 160-acre spacing within said vertical extent; and (c) the NE/4 SE/4 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 this vertical extent which presently includes the Dayton (Grayburg) Pool, Undesignated Atoka-San Andres Pool, Undesignated Atoka-Glorieta-Yeso Pool, and Undesignated Dayton-Abo Pool. These three units are to be dedicated to a single well, the proposed Rio Pecos "24" Well No. 1, to be drilled within the NE/4 SE/4 (Unit I) of Section 24 at a location considered to be standard for all three units. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company, L.L.C. as the operator of the well and units, and a charge for risk involved in drilling the well. The proposed well location is approximately three miles east of Dayton, New Mexico.