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March 6, 2001

Hand Delivered

Lori Wrotenbery
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Ms. Wrotenbery:

Please continue the following cases to the March 22, 2001 Examiner hearing:

Case 12606: Echo Production, Inc.
Case 12536: Concho Resources, Inc.
Case 12566: KCS Medallion Resources, Inc.

Please continue the following case to the April 5, 2001 Examiner hearing:

Case 12501: Santa Fe Snyder Corporation

Please dismiss the following case:

Case 12581: Nearburg Exploration Company, L.L.C.

Thank you.

Very truly yours,



James Bruce

Attorney for Applicants

DOCKET: EXAMINER HEARING - THURSDAY – March 8, 2001
8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Dockets Nos. 9-01 and 10-01 are tentatively set for March 22, 2001 and April 5, 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 12265: **(REOPENED)**

In the matter of Case No. 12265 being reopened pursuant to the provisions of Division Order No. R-11328, which order authorized OXY USA, Inc. to convert its Government "AB" Well No. 9 (API No. 30-015-27964), located on the surface 330 feet from the North line and 230 feet from the East line (Unit A) of Section 10, Township 20 South, Range 28 East (being approximately 15 miles east of Seven Rivers, New Mexico) to a salt water disposal well by injection in the perforated interval from approximately 6,378 feet to 6,619 feet into the Old Millman Ranch-Bone Spring Associated Pool. This order also identified two certain wells within the one-half-mile-area-of review that have inadequate cement behind the production casing string across the proposed injection interval. A provision was included in this order requiring OXY USA, Inc. to equipped these two wells, described below, with pressure recording equipment and to monitor both wells for increased pressures between the intermediate and production casing strings:

- (1) OXY USA, Inc.'s Government "S" Well No. 2 (API No. 30-015-22999), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 3, Township 20 South, Range 28 East; and
- (2) OXY USA, Inc.'s Government "AB" Well No. 2 (API No. 30-015-21480), Located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 10.

OXY USA, Inc. is to appear and show cause why both the Government "S" Well No. 2 and Government "AB" Well No. 2 should not be properly cemented across and above the injection zone.

CASE 12584: **Continued from February 8, 2001, Examiner Hearing.**

Application of Conoco, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool in a 320-acre spacing unit comprised of the W/2 of Section 36, Township 29 North, Range 11 West. Said pooled unit is to be dedicated to its State "A" Gas Com Well No. 1-E to be recompleted in the Fruitland Coal formation at a previously approved unorthodox well location (Corrected Amended Administrative Order NSL-4197) 1850 feet from the North line and 800 feet from the West line of Section 36. 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 2.5 miles Southeast of Bloomfield, New Mexico.

CASE 12501: **Continued from February 8, 2001, Examiner Hearing.**

Application of Santa Fe Snyder Corporation for pool creation and special pool rules, Eddy County, New Mexico. Applicant seeks the creation of the North Hackberry-Bone Spring Pool, covering the SE/4 of Section 6, Township 19 South, Range 31 East, and the promulgation of Special Pool Rules for the North Hackberry-Bone Spring Pool, including provisions for 160-acre spacing, special well location requirements, and a gas:oil ratio of 30,000 cubic feet of gas for each barrel of oil produced. The proposed pool is centered approximately 10 miles southeast of Loco Hills, New Mexico.

CASE 12606: Application of Echo Production, Inc. 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 E/2 of Section 27, Township 20 South, Range 21 East, 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 that vertical extent, including but not limited to the Undesignated Little Box Canyon-Morrow Gas Pool. The unit is to be dedicated to applicant's Little Feat "27" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SE/4 of Section 27. 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 applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 18½ miles south-southwest of Hope, New Mexico.

CASE 12580: Continued from February 8, 2001, Examiner Hearing.

Application of Pogo Producing Company 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 Section 24, Township 20 South, Range 26 East, in the following manner: All of the section for all pools or formations developed on 640-acre spacing within that vertical extent, including the McMillan-Morrow Gas Pool; the S/2 of the section for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated McMillan-Cisco Gas Pool and the Undesignated Northeast Springs-Strawn Gas Pool; the SE/4 of the section for all pools or formations developed on 160-acre spacing within that vertical extent; and the SE/4 SE/4 of the section for all pools or formations developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the McMillan State "24" Well No. 1, to be drilled at an orthodox location 660 feet from the South and East lines of Section 24. 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 applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 5½ miles southeast of Seven Rivers, New Mexico.

CASE 12581: Continued from February 8, 2001, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Strawn formation to the base of the Morrow formation underlying the E/2 of Section 32, Township 15 South, Range 32 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Anderson Ranch-Morrow Gas Pool. The unit is to be dedicated to the Anderson Ranch "32" State Well No. 2, to be drilled at an orthodox gas well location 1330 feet from the South line and 1980 feet from the East line of Section 32. 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 operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 8½ miles north-northeast of Maljamar, New Mexico.

CASE 12536: Continued from February 8, 2001, Examiner Hearing.

Application of Concho Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow