

Examiner Hearing – March 8, 2001

Docket No. 8-01

Page 9 of 11

Langlie Lynn Queen Unit #18 L 26 T23S R36E 1980' FSL, 660' FWL

This area is located approximately four miles west of Teague, New Mexico.

IN THE ABSENCE OF OBJECTION, THE CASE WILL BE TAKEN UNDER ADVISEMENT .

CASE 12502: Continued from January 25, 2001, Examiner Hearing.

In the matter of the hearing called by the New Mexico Oil Conservation Division on its own motion to amend Division Order No. R-5878, as amended. The Division seeks to further amend its "*Special Rules for Applications for Wellhead Price Ceiling Category Determinations*", as promulgated by Division Order No. R-5878, as amended, as necessary in order to comply with the Federal Energy Regulatory Commission's Order No. 616, which reinstates wellhead determination procedures for Section 107 gas that qualifies for a federal tax credit under Section 29 of the Internal Revenue Code.

CASE 12615: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Strawn production and designated as the Antelope Sink-Strawn Gas Pool. The discovery well is the Concho Resources, Inc. Southern Cross "20" State Com. Well No. 1 located in Unit P of Section 20, Township 18 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM

Section 20: S/2

- (b) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Wolfcamp production and designated as the Southwest Avalon-Wolfcamp Pool. The discovery well is the ICA Energy Operating, LLC Wagner Federal Well No. 1 located in Unit B of Section 31, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 31: NE/4

- (c) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Wolfcamp production and designated as the Northwest Foor Ranch-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Engwall "RL" Federal Well No. 3 located in Unit A of Section 4, Township 9 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 4: E/2

- (d) EXTEND the Anderson-Wolfcamp Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 23: SW/4

- (e) EXTEND the Angell Ranch-Atoka-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM

Section 23: N/2

- (f) EXTEND the Artesia-Glorieta-Yeso Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 36: NW/4

- (g) EXTEND the West Burton Flat-Strawn Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 25: W/2

- (h) EXTEND the Cedar Lake-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM

Section 1: All

- (i) EXTEND the South Dagger Draw-Upper Pennsylvanian Associated Pool in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 18: S/2

- (j) EXTEND the Empire-Pennsylvanian Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 19: NW/4

Section 22: NW/4

- (k) EXTEND the Empire-Yeso Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 18: S/2

- (l) EXTEND the Grayburg Jackson-Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 17: SE/4

- (m) EXTEND the Livingston Ridge-Delaware Pool in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM

Section 24: SE/4

- (n) EXTEND the Loco Hills-Paddock Pool in Eddy County, New Mexico to include: