

DOCKET: EXAMINER HEARING - THURSDAY – JUNE 28, 2001

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

Santa Fe, New Mexico

Docket Nos. 23-01 and 24-01 are tentatively set for July 12, 2001 and July 26, 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 12646: Continued from June 14, 2001, Examiner Hearing.

Application of Strata Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 160-acre spacing underlying the NW/4 of Section 15, Township 24 South, Range 34, East. Applicant proposes to dedicate the above-described spacing or proration unit to its Buckeye No. 1 well to be reentered at a standard location 660 feet from the North line and 1980 feet from the West line of Section 15, to a depth sufficient to test any and all formations down to the base of the Bone Spring Formation.

CASE 12680: Application of Energen Resources Corporation To Amend Order Nos. R-9722-C and R-10448-A To Reinstate The Project Allowable For The West Lovington Strawn Unit Area Under The Special Rules And Regulations For The West Lovington-Strawn Pool, Lea County, New Mexico. Applicant seeks an order amending consolidated Orders R-9722-C and R-10448-A to reinstate the project allowable established under Order No. R-10448 equal to the top unit allowable for the West Lovington-Strawn Pool, now at 250 barrels of oil per day, times the number of developed (production or injection) proration units within the project area. The transfer of allowables among wells within the project area would also be permitted. The West Lovington Strawn Unit is approximately four miles west of Lovington, New Mexico and includes the following described area:

Township 15 South, Range 35 East

Section 28: S/2 S/2

Section 32: E/2 E/2

Section 33: All

Section 34: W/2, S/2 NE/4, and SE/4

Section 35: W/2 SW/4

Township 16 South, Range 35 East

Section 1: Lots 1 through 11 and N/2 and
SE/4 equivalents of Lot 12

Township 16 South, Range 36 East

Section 5: Lots 3, 4 and 5

Section 6: Lots 1, 2, 6, 7 and 8

CASE 12660: Continued from June 14, 2001, Examiner Hearing.

Application of Chesapeake Operating Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the following described acreage in Section 21, Township 16 South, Range 37 East, in the following manner: the N/2 SE/4 to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre gas spacing within said vertical extent including but not limited to the Northeast Lovington-Upper Pennsylvanian Pool; and the NE/4 SE/4 to form a standard

40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. This unit(s) is to be dedicated to its Nellie "21" Well No. 1 which will be located at a standard well location in Unit I of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well. This unit(s) is located approximately 6 miles southeast of the center of the City of Lovington, New Mexico.

CASE 12670: Continued from June 14, 2001, Examiner Hearing.

Application of Matador Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Tubb formation underlying the S/2 NW/4 of Section 35, Township 19 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within this vertical extent including but not limited to the Monument-Tubb Pool. This unit is to be dedicated to its proposed Shelley State "34" Well No. 2 to be drilled and completed at a standard oil well location in Unit F of this section. Also to be considered will be the costs of drilling and completing this 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 this spacing unit and this well and a charge for risk involved in this well. This unit is located approximately 2-1/2 miles east-southeast of Monument, New Mexico.

CASE 12681: **Application of Yates Petroleum Corporation for pool creation and the adoption of special pool rules and regulations, Lea County, New Mexico.** Applicant seeks the creation of a new pool for the production of hydrocarbons from the Atoka formation to include the N/2 SW/4 of Section 29, Township 15 South, Range 35 East. Applicant also seeks the promulgation of special pool rules and regulations for this pool including provisions for 80-acre spacing and proration units with wells to be located no closer than 330 feet from the quarter-quarter section line of the dedicated spacing unit and an optional second well on each unit with no more than one well located in a single quarter-quarter section. Said area is located approximately 6 miles west-northwest of Lovington, New Mexico.

CASE 12665: **Readvertised**

Amended application of Yates Petroleum Corporation for amendment of compulsory pooling Order No. R-11542 to change the dedicated spacing unit, Lea County, New Mexico. Applicant seeks an order amending pooling order No. R-11542 to pool all mineral interests in all formations from the surface to the base of the Mississippian formation in the W/2 of Section 13, Township 15 South, Range 34 East, to form a standard spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the undesignated Morton-Morrow Gas Pool. Said unit is to be dedicated to the Chevy AWV State Com Well No. 1 to be drilled at a standard location 1650 feet from the South and West lines of said Section 13 to a depth sufficient to test all formations from the surface to the base of the Mississippian formation. Said well is located approximately 6 miles northwest of Lovington, New Mexico.

CASE 12551: Continued from June 14, 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 in the following described spacing and proration units in Section 14, Township 21 South, Range 34 East, as follows: the S/2 for