

**Examiner Hearing – December 7, 2000**

**Docket No. 35-00**

**Page 5 of 6**

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located at an unorthodox location 1549 feet from the South line and 712 feet from the West line 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 is located approximately 1 mile east of the center of the City of Lovington, New Mexico.

**CASE 12554:**    **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 W/2 NW/4 of Section 12, Township 16 South, Range 36 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent, including the Northeast Lovington-Pennsylvanian Pool. This unit is to be dedicated to its Hartgrave "12" Well No. 1 which will be located at a standard oil well location in Unit E 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 the risks involved in this well. This unit is located approximately 1 mile east of the center of the City of Lovington, New Mexico.

**CASE 12555:**    **Application of Chesapeake Operating Inc. for compulsory pooling and an unorthodox subsurface well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the S/2 SE/4 of Section 11, Township 16 South, Range 36 East, forming a standard 80-acre oil spacing unit within this vertical extent including the Northeast Lovington-Pennsylvanian Pool. This unit is to be dedicated to its City "11" Well No. 1 which will be drilled commencing at an unorthodox surface location 1170 feet from the South line and 1112 feet from the East line of this section and terminating within a 100 foot radius of a point 1017 feet from the South line and 1748 feet from the East line being an unorthodox subsurface location at the top of the Strawn formation. 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 the well and a charge for the risks involved in this well. This unit is located approximately 1 mile south-southeast of the center of the City of Lovington New Mexico.

**CASE 12556:**    **Application of Conoco Inc. to amend Division Order No. R-11139, Rio Arriba County, New Mexico.** Applicant seeks to amend Division Order No. R-11139 to provide for the expansion of a pilot project within its San Juan 28-7 Unit including an exception from the well density and well location requirements of the Special Rules and Regulations for the Basin-Dakota Gas Pool and the authorization to drill wells at unorthodox locations anywhere in a gas proration and spacing unit ("GPU") provided such wells are located not closer than 660 feet to the outer boundary of the San Juan 28-7 Unit or closer than 10 feet to any outer boundary of the quarter section on which the well is located and to increase the well density from the current maximum of two (2) wells per standard 320-acre GPU provided in Order No. R-8170 to a maximum of four (4) wells (80-acre infill) per standard 320-acre GPU for wells dedicated to the Basin Dakota Gas Pool within the San Juan 28-7 Unit but not more than one well per 160 acres for those GPUs contiguous to the outer boundary of the San Juan 28-7 Unit. Applicant further seeks approval for 9 additional infill pilot project wells with 8 of those wells being at unorthodox locations as follows:

**Examiner Hearing – December 7, 2000**

**Docket No. 35-00**

**Page 6 of 6**

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| <u>Wells</u> | <u>Location</u> | <u>Footages</u>                                                               |
|--------------|-----------------|-------------------------------------------------------------------------------|
| 131E         | 34-28N-7W       | 2305 feet from the South line and 2485 feet from the West line                |
| 225F         | 34-28N-7W       | 740 feet from the North line and 2170 feet from the East line                 |
| 190F         | 27-28N-7W       | 250 feet from the South line and 2300 feet from the East line<br>(bottomhole) |
| 189F         | 35-28N-7W       | 2460 feet from the North line and 2280 feet from the East line                |
| 133G         | 35-28N-7W       | 2170 feet from the South line and 320 feet from the West line                 |
| 133F         | 35-28N-7W       | 295 feet from the South line and 2390 feet from the East line                 |
| 130E         | 2-27N-7W        | 2200 feet from the North line and 1900 feet from the West line                |
| 181F         | 3-27N-7W        | 2200 feet from the South line and 1400 feet from the West line                |

Applicant further seeks an administrative process for expanding the pilot project to include additional wells. This unit is located approximately 14 miles southwest of Gobernador Camp, New Mexico.