

**DOCKET: EXAMINER HEARING - THURSDAY – May 3, 2001**  
**8:15 A.M. - 1220 South St. Francis**  
**Santa Fe, New Mexico**

Docket Nos. 16-01 and 17-01 are tentatively set for May 17, 2001 and May 31, 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:**     **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 12647:**     **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling and an unorthodox well location, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 8, Township 17 South, Range 37 East as follows: the S/2 NW/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Shipp-Strawn Pool; and the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Midway-Devonian Pool. Said units are to be dedicated to its Midway "8" Well No. 1 to be drilled at an unorthodox Strawn well location 1650 feet from the North line and 990 feet from the West line of said Section 8 to a depth sufficient to test all formations from the surface to the base of the Devonian 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 as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles southeast of Lovington, New Mexico.

**CASE 12648:**     **Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation in all formations developed on 320-acre spacing underlying the S/2 which include but are not necessarily limited to the Undesignated East Red Tank-Cisco Gas Pool, Undesignated East Red Tank-Atoka Gas Pool, Undesignated East Red Tank-Morrow Gas Pool and Undesignated Bootleg Ridge-Morrow Gas Pool; in all formations developed on 160-acre spacing underlying the SW/4; and in all formations developed on 40-acre spacing underlying the SW/4 SW/4 which include but are not necessarily limited to the West Red Tank-Delaware Pool and the Red Tank-Bone Spring Pool; all in Section 24, Township 22 South, Range 32 East. Applicant proposes to dedicate the pooled units to its Red Tank "24" Federal Well No. 3 to be drilled at a standard gas well location 660 feet from the South and West lines of said Section 24. 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 13 miles southeast of the intersection of State Highway 176 and U. S. Highway 62/180.

**CASE 12649:**     **Application of EOG Resources, Inc. for pool creation, special pool rules, and a discovery allowable, Eddy County, New Mexico.** Applicant seeks the creation of a new oil pool in the Strawn formation as the result of the discovery of hydrocarbons in its Oak Lake "25" Federal Well No. 1 located 850 feet from the North line and 750 feet from the West line of Section 25, Township 17 South, Range 30 East, including provisions for 160-acre oil well spacing, special well location requirements, a gas-oil ratio of 4,000 cubic feet of gas for each barrel of oil produced, and a special depth bracket allowable of 1,120 barrels of oil per day for the pool. EOG is also seeking approval

of a discovery allowable for this well. The proposed pool is centered approximately 3 miles East of Loco Hills, New Mexico.

**CASE 12634:** Continued from April 5, 2001, Examiner Hearing.

**Application of McElvain Oil & Gas Properties, Inc. for amendment of Division Order No. R-11392 for compulsory pooling of additional formations for an infill well, Rio Arriba County, New Mexico.** Applicant seeks an order amending Division Order No. R-11392 to compulsory pool all mineral interests and all royalty interests in all formations from the base of the Pictured Cliffs formation to the base of the Dakota formation in the S/2 of Section 10, Township 25 North, Range 2 West, for all formations and or pools developed on 320-acre spacing. The pooled units are to be dedicated to the Badger Com 10 Well No. 1A to be drilled at a standard location in the SE/4 of said Section 10 to a depth sufficient to test all formations in the pooled intervals including, but not necessarily limited to the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool. 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 7 miles north-northeast of Lindrith, New Mexico.

**CASE 12320:** Continued from April 5, 2001, Examiner Hearing.

**Application of Chevron U.S.A. Production Co. for Approval to convert the EMSU Wells No. 210, 212, 222, 252 and 258 to Injection in the Eunice Monument South Unit, Lea County, New Mexico.** Applicant seeks approval to convert its EMSU Wells No. 210, 212, 222, 252 and 258 to injection in the Eunice Monument South Unit (EMSU). These wells are designed to improve recovery efficiency of the waterflood patterns and enhance production of the EMSU secondary recovery project. The wells are located in the following locations: No. 210 - Section 4, Unit K, Township 21 South, Range 36 East; No. 252 - Section 5, Unit I, Township 21 South, Range 36 East; No. 222 - Section 6, Unit O, Township 21 South, Range 36 East; No. 252 - Section 6, Unit W, Township 21 South, Range 36 East; No. 258 - Section 4, Unit U, Township 21 South, Range 36 East. Water will be injected into the unitized interval of the Eunice Monument Grayburg-San Andres Pool which has an upper limit of 100 feet below mean sea level or the top of the Grayburg formation, whichever is higher, to a lower limit of the base of the San Andres formation. Injection will occur at an expected maximum pressure rate of 1500 barrels of water per day and an expected maximum pressure of 750 pounds per square inch. This area is approximately one mile west-southwest of Oil Center, New Mexico.

**CASE 12650:** **Application of Burlington Resources Oil & Gas Company for approval of a 317.51-acre non-standard gas spacing and proration unit, San Juan County, New Mexico.** Applicant seeks the approval of a non-standard gas spacing and proration unit within the Allison Unit to be dedicated to any production from the Blanco Mesaverde Gas Pool, to be configured from Lots 1 and 2, the SE/4 NE/4 and the E/2 SE/4 of Section 8 and the SW/4 of Section 9, Township 32 North, Range 6 West. This unit is made necessary as a result of variations in the legal subdivision of the United States Public Land Survey and is identical to the non-standard gas spacing and proration unit which has been approved for the Basin Dakota Gas Pool. The unit is located approximately 3 miles east of the intersection of New Mexico State Highway 511 and the borders of the States of New Mexico and Colorado. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 12651:** Application of Burlington Resources Oil & Gas Company for approval of a Pilot Project including unorthodox well locations and an exception from Rule 4 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool for purposes of establishing a pilot infill drilling program to determine proper well density for Fruitland Coal Gas wells, San Juan and Rio Arriba Counties, New Mexico. Applicant seeks approval for a pilot program including an exception from the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool and authorization to drill "infill" wells at unorthodox locations ("off pattern") as follows:

San Juan 28-6 Unit Well No. 418S  
1065 feet from the North line and 1830 feet from the West line  
Unit C, W/2 Section 28, Township 28 North, Range 6 West

Turner Federal Well No. 210S  
665 feet from the North line and 980 feet from the West line  
Unit D, N/2 Section 13, Township 30 North, Range 10 West

In addition, Burlington will drill the following test well at a standard location as follows:

Huerfano Unit Well No. 258S  
1190 feet from the North line and 840 feet from the East line  
Unit A, E/2 Section 36, Township 27 North, Range 10 West

The wells are located as follows: Well 418S is 7 miles southwest of Gobernador Camp, Well 210S is 8 miles east of Aztec and Well 258S is 14 miles southeast of Bloomfield, New Mexico.

**CASE 12652:** Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy County, New Mexico. Applicant, in accordance with Division Rule 1207.A(1)(b), seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 21, Township 17 South, Range 28 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools spaced on 320-acre spacing, including but not limited to the Empire-Pennsylvanian Gas Pool. This unit is to be dedicated to its PIB Well No. 1 which was drilled and completed at a standard well location in Unit G of this section. This unit is located approximately 11 miles east of Artesia, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 12501:** Continued from April 5, 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 12653:** Application of Chesapeake Operating, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks approval to drill and produce its Buchanan "5" Well No. 1 at an unorthodox oil well location 2365 feet from the North line and 1641 feet from the East line (Unit G) of Section 5, Township 17 South, Range 37 East, for production from the Strawn formation (Shipp-Strawn Pool). The

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W/2 NE/4 of Section 5 will be dedicated to the well, forming a standard 80-acre oil spacing and proration unit. The unit is located approximately 7 miles southeast of Lovington, New Mexico.

**CASE 12654:**    **Application of Chi Energy, 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 following described acreage in Section 9, Township 22 South, Range 25 East, in the following manner: 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 that vertical extent, including the Undesignated Revelation-Strawn Gas Pool and Undesignated Revelation-Morrow Gas Pool; the SW/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 that vertical extent; and the NE/4 SW/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 that vertical extent. The units are to be dedicated to applicant's In Bounds Well No. 1, to be drilled at an orthodox location in the NE/4 SW/4 of Section 9. 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 10½ miles west-southwest of Carlsbad, New Mexico.

**CASE 12552:**    **Continued from April 19, 2001, Examiner Hearing.**

**Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation underlying the S/2 of Section 23, Township 22 South, Range 32 East, for all formations and/or pools developed on 320-acre spacing which includes but it not necessarily limited to the Undesignated Bootleg-Ridge Morrow Gas Pool and the Undesignated East Red Tank-Atoka Gas Pool. Applicant proposes to dedicate the pooled units to its Red Tank "23" Federal Com Well No. 1 to be drilled at a standard gas well location in the NW/4 SE/4 of Section 23. 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 30 miles west of Eunice, New Mexico.

**CASE 12619:**    **Continued from April 17, 2001, Examiner Hearing.**

**Application of Pogo Producing Company for an unorthodox location, Lea County, New Mexico.** Applicant seeks authorization to directionally drill its WBR Fed. Com. Well No. 5 to the Morrow formation (Undesignated Bootleg Ridge-Morrow Gas Pool) to an unorthodox gas well location 330 feet from the South line and 2270 feet (+50 feet) from the West line of Section 13, Township 22 South, Range 32 East. The S/2 of Section 13 will be dedicated to the well. The surface location of the well is 660 feet from the South line and 2310 feet from the West line, approved by Division Administrative Order NSL-4523. The unit is located approximately 13 miles southeast of the intersection of State Highway 176 and U.S. Highway 62/180.

**CASE 12627:**    **Continued from April 17, 2001, Examiner Hearing.**

**Application of Pogo Producing Company for compulsory pooling, Lea 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 23, Township 22 South, Range 32 East:

The SE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the E/2 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 Undesignated East Red Tank-Cisco Canyon Gas Pool, Undesignated East Red Tank-Atoka Gas Pool, Undesignated East Red Tank-Morrow Gas Pool, and Undesignated Bootleg Ridge-Morrow Gas Pool. The units are to be dedicated to a well to be drilled at an orthodox location in the NE/4 SE/4 of Section 23. **IN THE ALTERNATIVE**, applicant requests that the S/2 of Section 23 be dedicated to the well for all pools or formations developed on 320-acre spacing within that vertical extent, including those described above. 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 12½ miles southeast of the intersection of State Highway 176 and U.S. Highway 62/180.

**CASE 12628:** Continued from April 17, 2001, Examiner Hearing.

**Application of Pogo Producing Company for compulsory pooling, Lea 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 22 South, Range 32 East: The S/2 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 Undesignated East Red Tank-Cisco Canyon Gas Pool, Undesignated East Red Tank-Atoka Gas Pool, Undesignated East Red Tank-Morrow Gas Pool, and Undesignated Bootleg Ridge-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the NW/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the West Red Tank-Delaware Pool and Red Tank-Bone Spring Pool. The units are to be dedicated to a well to be drilled at an orthodox location in the NW/4 SW/4 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 13 miles southeast of the intersection of State Highway 176 and U.S. Highway 62/180.

**CASE 12655:** **Application of C. W. Trainer for compulsory pooling, Lea 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 22 South, Range 32 East: The S/2 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 undesignated East Red Tank-Cisco Canyon Gas Pool, the undesignated East Red Tank-Atoka Gas Pool, the undesignated East Red Tank-Morrow Gas Pool, and the undesignated Bootleg Ridge-Morrow Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within the vertical extent; and the NW/4 SW/4 to form a standard 40-acre spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the West Red Tank-Delaware Pool and the Red Tank-Bone Springs Pool. The units are to be dedicated to a well located in the NW/4 SW/4 of Section 24. Also to be considered will be the cost of drilling and completing the well and the allocation of costs thereof, as well as the actual operating costs and charges for supervision, designation of the Applicant as operator of the well, and a charge for the risk of drilling and completing the well. The units are located approximately 13 miles southeast of the intersection of State Highway 176 and U. S. Highway 62-180.

**CASE 12656:** 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 an oil pool for Delaware production and designated as the Benson-Delaware Pool. The discovery well is the Chi Operating, Inc. Munchkin Federal Well No. 1 located in Unit N of Section 1, Township 19 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM  
Section 1: SW/4

(b) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Morrow production and designated as the Greenwood-Morrow Gas Pool. The discovery well is the Lynx Petroleum Consultants, Inc. Radar "24" Federal Well No. 1 located in Unit C of Section 24, Township 19 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM  
Section 24: All

(c) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Wolfcamp production and designated as the Southwest Ross Draw-Wolfcamp Gas Pool. The discovery well is the EOG Resources, Inc. Ross Draw "31" Well No. 1 located in Unit G of Section 31, Township 26 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 30 EAST, NMPM  
Section 31: All

(d) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Bone Spring production and designated as the U.S.-Bone Spring Pool. The discovery well is the Bass Enterprises Production Company Big Eddy Unit Well No. 38 located in Unit C of Section 34, Township 21 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM  
Section 34: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 35: NE/4

(f) EXTEND the East Carlsbad-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 27: N/2

(g) EXTEND the Cedar Canyon-Delaware Pool in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM  
Section 10: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM  
Section 13: W/2

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

**TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM**  
Section 25: N/2

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 12: N/2 and SE/4

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

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM  
Section 7: S/2  
Section 8: SW/4

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM  
Section 23: NE/4

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

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM  
Section 28: E/2

- (n) EXTEND the Frontier Hills-Strawn Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM  
Section 16: NW/4

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

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM  
Section 15: W/2

- (p) EXTEND the Logan Draw-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM  
Section 17: N/2  
Section 24: SE/4

- (q) EXTEND the Nash Draw-Delaware Pool in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM

Section 32: SW/4

- (r) EXTEND the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 4 SOUTH, RANGE 25 EAST, NMPM

Section 19: SE/4

Section 20: E/2

Section 21: NE/4 and W/2

Section 22: NW/4 and E/2

Section 28: W/2

Section 29: All

Section 30: E/2

Section 32: N/2

Section 33: NW/4

- (s) EXTEND the Red Lake-Glorieta-Yeso Pool in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 4: SE/4

Section 5: NW/4

- (t) EXTEND the Salt Draw-Atoka Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM

Section 34: N/2

- (u) EXTEND the North Shugart-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 5: E/2

- (v) EXTEND the Springs-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 26 EAST, NMPM

Section 34: N/2

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