

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 12666:**    **Application of Texland Petroleum-Hobbs, L.L.C. for approval of a waterflood project for its Hobbs Upper Blinebry Pool Cooperative Waterflood Area and qualification of said project for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.** Applicant seeks approval of its Hobbs-Upper Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry formation, Hobbs-Upper Blinebry Pool through fifteen injection wells located in the following described area:

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

Section 28: S/2

Section 29: SW/4, S/2 SE/4, NW/4 SE/4, SW/4 NW/4, S/2 NW/4 NW/4

Section 30: SE/4, S/2 NE/4

Section 31: NE/4

Section 32: N/2, N/2 SW/4

Section 33: NW/4, N/2 NE/4, SE/4 NE/4, NE/4 SE/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit straddles the city limits on the west side of Hobbs, New Mexico.

**CASE 12622:**    **Continued from April 19, 2001, Examiner Hearing.**

**Application of Nearburg Exploration Company, L.L.C. for two non-standard gas spacing and proration units, Lea County, New Mexico.** Applicant seeks an exception to the spacing provisions of Division Rule 104.C (2) to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-Morrow Gas Pool comprising: (i) the NE/4 of Section 34, Township 21 South, Range 34 East, to be dedicated to the Nearburg Producing Company's existing Grama Ridge East "34" State Well No. 1 (**API No. 30-025-34948**), located at a standard gas well location 1548 feet from the North line and 990 feet from the East line (Unit H) of Section 34; and (ii) the SE/4 of Section 34 to be dedicated to the EOG Resources, Inc. operated Llano "34" State Well No. 1 (**API No. 30-025-26318**), located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of Section 34. These two wells are located approximately 17 miles west of Eunice, New Mexico.

**CASE 12667:**    **Application of Doyle Hartman, Oil Operator for Correction of Division Order No. R-3621, Lea County, New Mexico.** Applicant seeks to correct Division Order No. R-3621, entered in Case No. 3978 on December 9, 1968 to reflect the true injection interval in the McKinney State Well No. 1, a produced water disposal well located 660 feet from the North line and 660 feet from the East line (Unit A) of Section 36, Township 24 South, Range 36 East, as being the open-hole interval from a depth of 3,148 feet to 3,490 feet. This well is located approximately 5 miles Northwest of Jal, New Mexico.

**CASE 12619:** Continued from May 3, 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 May 3, 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 May 3, 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.