

Examiner Hearing – July 26, 2001
Docket No. 24-01
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in Lea County, New Mexico. Operators in the East Hobbs-San Andres Pool should be prepared to appear and show cause why the top oil allowable rate of 160 barrels of oil per day for the pool should not be rescinded.

CASE 11986: Reopened

In the matter of Case 11986 being reopened pursuant to the provisions of Division Order No. R-11059, which order promulgated temporary special rules and regulations for the Tatum-Upper Pennsylvanian Pool in Lea County, New Mexico, including provisions for 80-acre spacing and designated well locations. Operators in the Tatum-Upper Pennsylvanian Pool may appear and show cause why the temporary special pool rules for the pool should not be rescinded.

CASE 12622: Continued from June 28, 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 12502: Continued from May 17, 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 12703: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Lea Counties, New Mexico.

(a) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Morrow production and designated as the Northwest Anderson Ranch-Morrow Gas Pool. The discovery well is the Texaco Exploration and Production, Inc. Dulce 36 State Com Well No. 1 located in Unit F of Section 36, Township 15 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 31 EAST, NMPM
Section 36: W/2

(b) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the Eight Mile Draw-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation East Sand Springs Unit Well No. 2 located in Unit N of Section 24, Township 11 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

Section 24: S/2

(c) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Mississippian production and designated as the Four Lakes-Mississippian Gas Pool. The discovery well is the Yates Petroleum Corporation Indigo State Unit Well No. 1 located in Unit A of Section 7, Township 12 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 35 EAST, NMPM

Section 7: E/2

(d) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production and designated as the Hagood-Wolfcamp Pool. The discovery well is the Roden Oil Company Miro 35 Federal Well No. 1 located in Unit D of Section 35, Township 26 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 35 EAST, NMPM

Section 35: N/2 NW/4 and Lots 3 and 4

(e) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Abo production and designated as the Hardy-Abo Pool. The discovery well is the Conoco Inc. Oxy State F-1 Well No. 1 located in Unit X of Section 1, Township 21 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 1: SE/4

(f) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Blinebry production and designated as the Lovington-Blinebry Pool. The discovery well is the Texaco Exploration & Production, Inc. Caylor 6 Well No. 1 located in Unit K of Section 6, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 6: SW/4

(g) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Drinkard production and designated as the Monument-Drinkard Pool. The discovery well is the Matador Operating Company Cooper 5 Well No. 6 located in Unit G of Section 5, Township 20 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 5: NE/4

(h) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Strawn production and designated as the Southeast San Simon-Strawn Gas Pool. The discovery well is the Nearburg Producing Company Antler 17 State Well No. 1 located in Unit D of Section 17, Township 22 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM

Section 17: N/2

(i) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Delaware production and