

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 23 miles northwest of Hobbs, New Mexico.

CASE 12717: **Application of Matador E & P Company, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the top of the surface to the base of the Morrow formation underlying W/2 Section 32, Township 18 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within this vertical extent, including but not limited to the West La Rico Morrow Gas Pool. This unit is to be dedicated to its proposed Wapaiti "32" State Com Well No. 2 to be drilled and completed at a standard gas well location in Unit N 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 Matador Petroleum Corporation as the operator of this spacing unit and this well and a charge for risk involved in this well. This unit is located approximately 8-1/2 miles southeast of Buckeye, New Mexico.

CASE 12718: **Application of Matador Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks approval to drill its proposed Williams "34" Well No. 3 at an unorthodox oil well location 230 feet from the South line and 1750 feet from the East line (Unit O) of Section 34, Township 19 South, Range 37 East, which is located approximately 1.5 miles east-southeast of Monument, New Mexico. The SW/4 SE/4 of Section 34 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the Paddock, Blinebry, Abo, and Strawn formations, and the Northwest Skaggs-Drinkard Pool.

CASE 12709: **Continued from August 9, 2001, Examiner Hearing.**

Application of Melrose Operating Company to expand its Artesia Unit Waterflood project and amend Division Administrative Order WFX-768, Eddy County, New Mexico. Applicant seeks approval to inject water into the Queen, Grayburg and San Andres formations of the Artesia Queen-Grayburg-San Andres Pool in the following injection wells:

Unit Well No. 2. 330 feet FSL & 330 feet FWL, Section 26, T17S, R28E
Unit Well No. 3. 330 feet FSL & 1750 feet FWL, Section 26, T17S, R28E
Unit Well No. 10. 330 feet FNL & 1950 feet FWL, Section 35, T17S, R28E
Unit Well No. 11. 360 feet FNL & 360 feet FWL, Section 35, T17S, R28E
Unit Well No. 12. 1980 feet FNL & 660 feet FWL, Section 35, T17S, R28E
Unit Well No. 13. 1980 feet FNL & 1980 feet FWL, Section 35, T17S, R28E
Unit Well No. 16. 1980 feet FNL & 660 feet FWL, Section 36, T17S, R28E
Unit Well No. 18. 1980 feet FSL & 1980 feet FWL, Section 36, T17S, R28E
Unit Well No. 19. 1980 feet FSL & 660 feet FWL, Section 36, T17S, R28E
Unit Well No. 22. 1980 feet FSL & 1980 feet FWL, Section 35, T17S, R28E
Unit Well No. 23. 1980 feet FSL & 660 feet FWL, Section 35, T17S, R28E
Unit Well No. 28. 990 feet FEL & 330 feet FSL, Section 35, T17S, R28E
Unit Well No. 44. 1980 feet FNL & 1070 feet FWL, Section 3, T17S, R28E
Unit Well No. 46. 2310 feet FNL & 2267 feet FWL, Section 3, T18S, R28E
Unit Well No. 54. 1654 feet FSL & 2272 feet FWL, Section 3, T18S, R28E
Unit Well No. 57. 1570 feet FSL & 1070 feet FWL, Section 3, T18S, R28E

Examiner Hearing – August 23, 2001
Docket No. 27-01
Page 6 of 6

CASE 12710: Continued from August 9, 2001, Examiner Hearing.

Application of Chesapeake Exploration L.P. for a determination that its interest is not subject to Division Order R-11580. Applicant seeks a determination by the Division that its interest in the NW/4 of Section 31, Township 15 South, Range 36 East, Lea County, New Mexico is not subject to Division Order R-11580, which is a compulsory pooling order pooling "all uncommitted mineral interest" obtained by David H. Arrington Oil & Gas Inc. covering the NW/4 and the SE/4 NW/4 of this section and dedicated to Arrington's Royal Simulator Well No. 1 (API No. 30-025-35284). The well is located approximately 2 miles north of the center of the City of Lovington, New Mexico.