

Examiner Hearing – January 10, 2002
Docket No. 01-02
Page 6 of 14

30-025-28227	STATE WES	001	KELLY H BAXTER	O	S	Lea	S	A	20	14	S	33	E
30-025-29664	SPEIGHT	001	KELLY H BAXTER	O	A	Lea	P	A	15	13	S	38	E
30-025-29935	SPEIGHT	002	KELLY H BAXTER	S	A	Lea	P	H	15	13	S	38	E

CASE 12733-A: Continued from October 4, 2001, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring Fifty-Six (56) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Eddy and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 56 inactive wells located in Eddy and Chaves Counties, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

In Eddy County, New Mexico:

Well	API No.	Twsp	Range	Sec.	Unit
Aceco Petroleum-Graridge State #3	30-015-01904	18S	28E	17	L
Aceco Pretroleum-Welch State #4	30-015-10452	18S	28E	17	K
Dinero Operating-Big Chief Com #1	30-015-22474	22S	28E	22	F
NGX-Guacamayo #1	30-015-22080	21S	27E	06	P
NGX-Tecolote State #1	30-015-27346	21S	28E	02	K
Read & Stevens-Amoco Skeeter #1	30-015-24558	16S	31E	14	E
Read & Stevens-Bunker Hill Water Flood Unit #2	30-015-24271	16S	31E	13	D
Read & Stevens-Bunker Hill Water Flood Unit #28	30-015-24387	16S	31E	23	K
Read & Stevens-Jamie Federal #2	30-015-26567	18S	31E	14	E
Wiser Oil Co-Lea C#3	30-015-05131	17S	31E	11	D
Wiser Oil Co-Lea C#14	30-015-20705	17S	31E	11	I
Wiser Oil Co-Skelly Unit #13	30-015-05323	17S	31E	21	K
Wiser Oil Co-Skelly Unit #123	30-015-22257	17S	31E	22	M
Wiser Oil Co-Skelly Unit #161	30-015-28140	17S	31E	28	K
Amtex Energy-Malco #1	30-015-00759	18S	27E	03	A
Amtex Energy-Malco #2	30-015-01208	18S	27E	03	A
Bird Creek Resources-Williams #1	30-015-23907	23S	28E	25	N
Burnett Oil Co-Gissler B#11	30-015-04301	17S	30E	23	J
Lindenmuth & Associates-Gorman State #1	30-015-00054	19S	24E	36	C
Mar Oil & Gas-DD 24 Federal #1	30-015-24496	19S	24E	24	P
Aceco Petroleum-Adkins Williams State #2	30-015-01916	18S	28E	17	O
Aceco Petroleum-Adkins Williams State #5	30-015-01919	18S	28E	17	O
Aceco Petroleum-Welch State #1	30-015-01908	17S	28E	17	K
NGX Company-State #1	30-015-23100	21S	28E	02	L
Read & Stevens-Bunker Hill Water Flood Unit #6	30-015-24270	16S	31E	13	F
Read & Stevens-Bunker Hill Water Flood Unit #9	30-015-10360	16S	31E	13	L
Read & Stevens-Bunker Hill Water Flood Unit #15	30-015-23608	16S	31E	14	P
Read & Stevens-Bunker Hill Water Flood Unit #17	30-015-23700	16S	31E	13	N
Read & Stevens-Bunker Hill Water Flood Unit #19	30-015-23609	16S	31E	24	D
Wiser Oil Co-Skelly Unit #3	30-015-05347	17S	31E	22	D
Wiser Oil Co-Skelly Unit #17	30-015-05153	17S	31E	15	B
Wiser Oil Co-Skelly Unit #18	30-015-05154	17S	31E	15	D

Examiner Hearing – January 10, 2002
Docket No. 01-02
Page 5 of 14

CASE 12320: Continued from December 6, 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 12753: Continued from December 20, 2001, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W/2 of Section 36, Township 16 South, Range 35 East, 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 but not limited to the Undesignated South Shoe Bar-Morrow Gas Pool and Undesignated Shoe Bar-Mississippian Gas Pool. The unit is to be dedicated to applicant's Double Hackle Drake "36' State Well No. 1, to be drilled at an orthodox location in the NW/4 NW/4 of Section 36. 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 unit is located approximately 6 miles southwest of Lovington, New Mexico.

CASE 12792: Application of the New Mexico Oil Conservation Division for an Order Requiring Kelly H. Baxter to Properly Plug Seven (7) Wells, Imposing Civil Penalties in Event of Failure to Comply, Authorizing the Division to Plug Said Wells in Default of Compliance by Kelly H. Baxter or His Surety, and Ordering a Forfeiture of Applicable Plugging Bond; Lea County, New Mexico. The Applicant seeks an order requiring Kelly H. Baxter, the operator of seven (7) inactive wells in Lea County, New Mexico, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said wells if the operator or its sureties fails to do so, forfeiting Operator's plugging bond, and providing for such other relief as the Director deems appropriate. The affected wells are the following:

API Well #	Well Name	Well #	Operator Name	Type	Sta. C.	County	Surf. Owner	UL	Sec.	Twp.	N/S	Range	W.
30-025-21925	STATE FP	001	KELLY H BAXTER	O	A	Lea	S	O	23	16S		33E	
30-025-25238	WALLEN FEE	001	KELLY H BAXTER	O	A	Lea	P	D	28	20S		34E	
30-025-25283	WALLEN FEE	002	KELLY H BAXTER	O	A	Lea	P	C	28	20S		34E	
30-025-27961	STATE 26	001	KELLY H BAXTER	S	A	Lea	S	B	26	12S		32E	

Examiner Hearing – January 10, 2002
Docket No. 01-02
Page 7 of 14

Wiser Oil Co-Skelly Unit #42	30-015-05356	17S	31E	22	B
Wiser Oil Co-Skelly Unit #45	30-015-05346	17S	31E	22	G
Wiser Oil Co-Skelly Unit #46	30-015-05357	17S	31E	22	H
Wiser Oil Co-Skelly Unit #47	30-015-05364	17S	31E	23	E
Wiser Oil Co-Skelly Unit #52	30-015-05345	17S	31E	22	J
Wiser Oil Co-Skelly Unit #56	30-015-05350	17S	31E	22	N
Wiser Oil Co-Skelly Unit #57	30-015-05353	17S	31E	22	O
Wiser Oil Co-Skelly Unit #89	30-015-05429	17S	31E	28	B
Wiser Oil Co-Skelly Unit #102	30-015-05147	17S	31E	14	B
Wiser Oil Co-Skelly Unit #67	30-015-05339	17S	31E	21	J
Wiser Oil Co-Skelly Unit #72	30-015-05372	17S	31E	23	K
Wiser Oil Co-Skelly Unit #85	30-015-05422	17S	31E	27	B
Wiser Oil Co-Skelly Unit #103	30-015-05148	17S	31E	14	C
Wiser Oil Co-Skelly Unit #105	30-015-05149	17S	31E	14	F
Wiser Oil Co-Skelly Unit #264	30-015-28999	17S	31E	27	C
Burnett Oil Co-Gissler B#7	30-015-04120	17S	30E	11	B
Burnett Oil Co-Gissler B(A-2)#27	30-015-25987	17S	30E	12	L
Burnett Oil Co-Jackson B#4	30-015-04036	17S	30E	01	D

In Chaves County, New Mexico:

Well	API No.	Twsp	Range	Sec.	Unit
Read & Stevens-Buffalo Valley Com #1	30-005-60014	15S	27E	02	F
Read & Stevens-Jackson #1	30-005-20422	12S	30E	25	I
Read & Stevens-Sulimar #1	30-005-60194	15S	29E	26	K
Read & Stevens-Sulimar #2	30-005-60206	15S	29E	26	M
Read & Stevens-West Haystack Federal #5	30-005-62991	06S	27E	19	F
Julian Ard-Acme #1	30-005-61891	19S	24E	36	C

CASE 12757: Continued from December 6, 2001, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Marks and Garner Production Ltd. Co. to Properly Plug Seventeen (17) Wells, Authorizing the Division to Plug Said Wells in Default of Compliance by Marks and Garner Ltd. Co., Ordering a Forfeiture of Applicable Plugging Bond and Assessing Civil Penalties for False Production Reporting; Eddy County, New Mexico. The Applicant seeks an order requiring Marks and Garner Ltd. Co., the operator of seventeen (17) inactive wells in Eddy County, New Mexico to properly plug and abandon the same, authorizing the Division to plug said wells if the operator or its surety fails to do so, forfeiting Operator's plugging bond, and assessing civil penalties for false production reporting. The affected wells are the following:

API NO.	WELL NAME AND NO.	UNIT/SEC./TWSP/RNG	FNS	FEW
30-015-02784	Cave Pool Unit #1	O-33-16S-29E	660S	1780E
30-015-02892	Cave Pool Unit #3	A-04-17S-29E	985N	987E
30-015-02880	Cave Pool Unit #12	E-04-17S-29E	1980N	660E
30-015-02881	Cave Pool Unit #14	G-04-17S-29E	1980N	1980E
30-015-02875	Cave Pool Unit #16	E-03-17S-29E	1973N	330W
30-015-02886	Cave Pool Unit #19	K-04-17S-29E	1980S	1880W
30-015-02891	Cave Pool Unit #30	O-04-17S-29E	990S	2310E
30-015-02927	Cave Pool Unit #32	A-09-17S-29E	660N	660E

Examiner Hearing – January 10, 2002
Docket No. 01-02
Page 8 of 14

30-015-02926	Cave Pool Unit #41	E-08-17S-29E	1650N	330W
30-015-02903	Cave Pool Unit #51	L-05-17S-29E	1650S	990W
30-015-02912	Cave Pool Unit #53	H-07-17S-29E	1650N	330E
30-015-25090	Red Twelve Levers Federal #8Q	I-33-16S-29E	1980S	990E
30-015-25152	Red Twelve Levers Federal #12	D-33-16S-29E	660N	660W
30-015-24991	Red Twelve State #4	O-05-17S-29E	990S	2310E
30-015-25055	Red Twelve State #6	K-05-17S-29E	2310S	1650E
30-015-02889	State #2	C-04-17S-19E	990N	1980W
30-015-24732	Theos State #1	G-05-17S-29E	1650N	1650E

CASE 12793: In the matter of the hearing called by the Oil Conservation Division for an order creating, contracting vertical limits, redesignating, and extending certain pools in Chaves and Lea Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Strawn production and designated as the Corbin-Strawn Gas Pool. The discovery well is the EOG Resources Inc. Corbin 18 Federal Com. Well No. 2 located in Unit O of Section 18, Township 18 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 18: S/2

(b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Delaware production and designated as the North Diamondtail-Delaware Pool. The discovery well is the Pogo Producing Company Aracanga Federal Well No. 1 located in Unit O of Section 4, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 4: SE/4

(c) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Mississippian production and designated as the Eight Mile Draw-Mississippian Gas Pool. The discovery well is the Yates Petroleum Corporation Comet AUC State Well No. 1 located in Unit O of Section 23, Township 11 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 23: S/2

(d) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production and designated as the North Feather-Wolfcamp Pool. The discovery well is the Yates Petroleum Corporation Wings AUT State Well No. 1 located in Unit M of Section 17, Township 15 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 17: SW/4

(e) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the Four Lakes-Morrow 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: