

**CASE 12902:** Continued from August 1, 2002, Examiner Hearing.

**Application of Ricks Exploration Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NW/4 NE/4 of Section 27, Township 12 South, Range 38 East, 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 Undesignated Trinity-Wolfcamp Pool. The unit is to be dedicated to the Burrus Well No. 5, to be drilled at an orthodox oil well location in the NW/4 NE/4 of Section 27. 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 13½ miles east of Tatum, New Mexico.

**CASE 12918:** Application of the New Mexico Oil Conservation Division for an Order Requiring Slayton Resources, Inc. to Bring One (1) Well into Compliance with Rule 201.B, and Assessing an Appropriate Civil Penalty; Chaves County, New Mexico. The Applicant seeks an order requiring Slayton Resources, Inc. to bring its Diablo State Well No. 2 (API No. 30-005-60020), located 1980 feet from the South line and 600 feet from the East line of Section 16, Township 10 South, Range 27 East, in Chaves County, New Mexico into compliance with OCD Rule 201.B by either restoring said well to production or beneficial use, plugging and abandoning said well or securing Division approval for temporary abandonment thereof.

**CASE 12907:** Continued from August 1, 2002, Examiner Hearing.

**Application of the New Mexico Oil Conservation Division for an Order Requiring McKay Oil Corporation to Bring One (1) Well into Compliance with Rule 201.B, and Assessing an Appropriate Civil Penalty; Chaves County, New Mexico.** The Applicant seeks an order requiring McKay Oil Corporation to bring its West Fork Federal Unit Well No. 4 (API No. 30-005-6281), located 1650 feet from the South and West lines of Section 32, Township 4 South, Range 22 East, in Chaves County, New Mexico into compliance with OCD Rule 201.B by either restoring said well to production or beneficial use, plugging and abandoning said well or securing Division approval for temporary abandonment thereof.

**CASE 12919:** Application of the New Mexico Oil Conservation Division for a Public Hearing Pursuant to Rule 19.G(3) to Consider the Adequacy of a Revised Stage 2 Abatement Plan; Lea County, New Mexico. The Applicant asks the Director to set a public hearing to review the adequacy of the Revised Stage 2 Abatement Plan submitted by Rice Operating Company for abatement of ground water contamination at the Junction I9 Release Site in the NE/4 SE/4 (Unit I) of Section 9, Township 19 South, Range 38 East, in Lea County, New Mexico. The Applicant will recommend approval of the Revised Stage 2 Abatement Plan subject to conditions set forth in the Application. The documents constituting the Revised Stage 2 Abatement Plan are on file at the Santa Fe office of the Division at 1220 S. Saint Francis Drive, 3rd Floor, in Santa Fe, New Mexico, and may be examined by interested persons during ordinary business hours.

**CASE 12920:** In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Eddy County, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Grayburg production and designated as the Cave Lake-Grayburg Gas Pool (Pool Code 97216). The discovery well is the Devon SFS Operating, Inc. Crow Flats "15" Federal Com. Well No. 1 (API No. 30-015-26490) located in Unit H of Section 15, Township 16 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM  
Section 15: NE/4

which presently include but are not necessarily limited to the Townsend Permo-Upper Pennsylvanian Pool. These spacing and proration units are to be dedicated to Arrington's proposed Disco Midge Well No. 1 to be directionally drilled from a surface location 1487 feet from the North line and 331 feet from the West line (Unit E) of Section 35 in a north-northeasterly direction so as to encounter the Wolfcamp formation at an unorthodox location 1487 feet from the North line and 331 feet from the West line (Unit E) of Section 35, the Strawn formation at an unorthodox location 1250 feet from the North line and 390 feet from the West line (Unit D) of Section 35, the Atoka formation at a standard location within 150 feet of a point 660 feet from the North line and 800 feet from the West line (Unit D) of Section 35, and the Mississippian formation at a standard bottomhole location 660 feet from the North line and 800 feet from the West line (Unit D) of Section 35. 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 1.5 miles northwest of Lovington, New Mexico. This matter was the subject of an Examiner hearing on February 22, 2001 in Case No. 12602 and Division Order No. R-11568, entered April 19, 2001. Said Order expired by its own terms necessitating this new application. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 12916:** Application of Ocean Energy, Inc. for pool creation and special pool rules, Eddy County, New Mexico. Applicant seeks creation of the Magruder-Lower Bone Spring Pool to initially cover the NW/4 of Section 10, Township 21 South, Range 27 East, and the promulgation of Special Rules and Regulations for the pool, including provisions for 160-acre spacing and a gas:oil ratio of 4000 cubic feet of gas for each barrel of oil produced. The proposed pool is located approximately 6 miles north-northeast of Monument, New Mexico.

**CASE 12917:** Application of Synergy Operating, LLC for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the NE/4 of Section 25, Township 28 North, Range 10 West, 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, including the Fulcher Kutz-Pictured Cliffs Gas Pool. The unit is to be dedicated to the Omler Well No. 6, to be re-entered and worked over at a location 1190 feet from the North line and 1820 feet from the East line of Section 25. Also to be considered will be the cost of re-entering and working over 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 re-entering and working over the well. The unit is located approximately 8 miles southeast of Bloomfield, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 12904:** Continued from August 1, 2002, Examiner Hearing.

**Application of Arch Petroleum Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Teague (Simpson) Pool underlying the NW/4 SW/4 of Section 27, Township 23 South, Range 37 East, 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, including but not limited to the Teague (Simpson) Pool. The unit is to be dedicated to applicant's E.C. Hill "C" Well No. 3, to be drilled at an orthodox location in the NW/4 SW/4 of Section 27. 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 11½ miles south of Eunice, New Mexico.