

proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; the N/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within that vertical extent, including but not limited to the Undesignated South Culebra Bluff-Bone Spring Pool; and the NE/4 SE/4 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 Undesignated Malaga-Bone Spring Pool. The units are to be dedicated to applicant's Layla "35" Fee Com. Well No. 1, to be drilled at an unorthodox oil well location/orthodox gas well location 1650 feet from the South line and 1241 feet from the East line (Unit I) of Section 35. 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 2½ miles northeast of Malaga, New Mexico.

CASE 12931: **Application of Concho Oil & Gas Corp. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the E/2 SW/4 of Section 9, Township 20 South, Range 35 East, to form a standard 80-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including but not necessarily limited to the Featherstone-Bone Spring Pool. The unit is to be dedicated to a well to be located at an orthodox location in the SE/4 SW/4 of Section 9. 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 12 miles west-southwest of Monument, New Mexico.

CASE 12916: **Continued from August 22, 2002, Examiner Hearing.**

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 12932: **Application of Ocean Energy, Inc. for a non-standard gas spacing and proration unit, Eddy County, New Mexico.** Applicant seeks an order approving a non-standard gas spacing and proration unit in the Saladar-Strawn Pool comprised of the SE/4 of Section 28, Township 20 South, Range 28 East. The unit will be dedicated to applicant's existing Burton Flat Deep Unit Well No. 13, located in the SW/4 SE/4 of the section. The unit is located approximately 9 miles north-northeast of Carlsbad, New Mexico.

CASE 12907: **Continued from August 22, 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 12933: **In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.**

(a) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Seven Rivers

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 State 22 Well No. 1, to be drilled at an orthodox oil well location in the SE/4 NE/4 of Section 22. 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 14 miles east of Tatum, New Mexico.

CASE 12928: **Application of Mewbourne Oil Company for compulsory pooling, Eddy 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 11, Township 21 South, Range 27 East, and in the following manner: The W/2 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 East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, and Burton Flat-Morrow Gas Pool; the SW/4 of to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including but not limited to the East Avalon-Bone Spring Gas Pool; and the SW/4 SW/4 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 Undesignated La Huerta-Delaware Pool and East Avalon-Bone Spring Pool. The units are to be dedicated to applicant's Esperanza "11" St. Com. Well No. 1, to be drilled at an orthodox well location in the SW/4 SW/4 of Section 11. 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 6½ miles northeast of Carlsbad, New Mexico.

CASE 12929: **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the Yates formation to the base of the Morrow formation underlying the following described acreage in Section 14, Township 21 South, Range 27 East, and in the following manner: The W/2 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 East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, and Burton Flat-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including but not limited to the Undesignated East Avalon-Bone Spring Gas Pool; and the SW/4 SW/4 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 Undesignated La Huerta-Delaware Pool, Undesignated East Avalon-Bone Spring Pool, and Undesignated East Carlsbad-Bone Spring Pool. The units are to be dedicated to applicant's Esperanza "14" St. Com. Well No. 1, to be drilled at an orthodox well location in the SW/4 SW/4 of Section 14. 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 5½ miles northeast of Carlsbad, New Mexico.

CASE 12930: **Application of Mewbourne Oil Company for compulsory pooling and an unorthodox oil well location, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the following described acreage in Section 35, Township 23 South, Range 28 East, and in the following manner: The S/2 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 Culebra Bluff-Wolfcamp Gas Pool, Undesignated South Culebra Bluff-Strawn Gas Pool, and South Culebra Bluff-Atoka Gas Pool; the SE/4 to form a standard 160-acre gas spacing and