

**Examiner Hearing – March 13, 2003**  
**Docket No. 06-03**  
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160-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent. The unit is to be dedicated to the Boggs Fee Well No. 1, located in the NE/4 SE/4 of Section 21, which is to be re-entered and re-completed. Also to be considered will be the cost of re-entering and re-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 re-entering and working over the well. The unit is located approximately 4½ miles southeast of Carlsbad, New Mexico.

**CASE 13021:**    **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 Wolfcamp formation to 100 feet below the base of the Morrow formation underlying the S/2 of Section 1, Township 22 South, Range 27 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 East Carlsbad-Strawn Gas Pool and Undesignated East Carlsbad-Morrow Gas Pool. The unit is to be dedicated to applicant's Otis "1" Well No. 1, to be drilled at an orthodox location in the SW/4 SE/4 (Unit O) of Section 1. 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 5 miles east of Carlsbad, New Mexico.

**CASE 12957:**    **Reopened**

**Application of Nadel and Gussman Permian, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks to amend Division Order No. R-11868 to pool additional interest owners, by pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 35, Township 23 South, Range 27 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 Southeast Loving-Atoka Gas Pool and the Undesignated Black River-Morrow Gas Pool. The unit is to be dedicated to applicant's Palo Duro Well No. 1, to be drilled at an orthodox location in the NE/4 SE/4 (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 unit is located approximately 3½ miles southwest of Loving, New Mexico.

**CASE 13010:**    **Continued from February 20, 2003, Examiner Hearing.**

**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 Morrow formation underlying the N/2 of Section 28, Township 19 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Quail Ridge-Morrow Gas Pool. The unit is to be dedicated to applicant's Codorniz Fed. "28" Well No. 1, to be located at an orthodox location in the NW/4 NW/4 of Section 28. 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 17½ miles west of Monument, New Mexico.

**CASE 13011:**    **Continued from February 20, 2003, Examiner Hearing.**

**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 Morrow formation underlying the S/2 of Section 28, Township 19 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for any

formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated Quail Ridge-Morrow Gas Pool. The unit is to be dedicated to applicant's Codorniz Fed. "28" Well No. 2, to be located at an orthodox location in the NW/4 SW/4 of Section 28. 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 17½ miles west of Monument, New Mexico.

**CASE 13022:** Application of Pogo Producing Company for approval of a pilot pressure maintenance project and to qualify the project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Eddy County, New Mexico. Applicant seeks approval to institute a pilot pressure maintenance project in the Lost Tank-Delaware Pool on State Lease LH-1523, comprising the SE/4 of Section 2, Township 22 South, Range 31 East, by the injection of water into the State "2" Well No. 5, located in Unit P of Section 2. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). The project area is located approximately 28 miles east of Carlsbad, New Mexico.

**CASE 13023:** Application of Pogo Producing Company for an exception to Division rules to allow two operators in a single well unit, or in the alternative, for two non-standard gas spacing and proration units, Eddy County, New Mexico. Applicant seeks an order allowing it to operate its proposed State "19" Com. Well No. 2, and allowing Atasca Resources, Inc. to operate its State "19" Com. Well No. 1, both in the McMillan-Morrow Gas Pool. All of Section 19, Township 20 South, Range 27 East, will be dedicated to the two wells. **IN THE ALTERNATIVE**, applicant seeks an order creating two non-standard gas spacing and proration units in the McMillan-Morrow Gas Pool, one comprising the N/2 of Section 19 to be dedicated to the State "19" Com. Well No. 1 located in Unit F of Section 19, and the other comprising the S/2 of Section 19 to be dedicated to the State "19" Com. Well No. 2 to be located in Unit L of Section 19. The unit is located approximately 6½ miles east-southeast of Seven Rivers, New Mexico.

**CASE 12967:** Continued from February 6, 2003, Examiner Hearing.

**Application of BP America Production Company for Surface Commingling, Eddy County, New Mexico.** Applicant seeks authority to surface commingle gas production from the Little Box Canyon-Morrow, Indian Loafer Draw-Upper Pennsylvanian, Strychnine Draw-Atoka and Strychnine Draw-Strawn Gas Pools within certain wells it operates located on Federal Leases No. NMNM-93457 and NMNM-25336, which comprise all or portions of Sections 22, 25, 26 and 35, Township 20 South, Range 21 East, and on the Little Box State Lease, located on all or portions of Section 36, Township 20 South, Range 21 East. These wells are located approximately 18 miles south of Hope, New Mexico.

**CASE 12968:** Continued from February 6, 2003, Examiner Hearing.

**Application of BP America Production Company for Surface Commingling, Eddy County, New Mexico.** Applicant seeks authority to surface commingle gas production from the Little Box Canyon-Morrow and Indian Loafer Draw-Upper Pennsylvanian Gas Pools within certain wells it operates located on Federal Leases No. NMNM-82831, NMNM-88085, and NMNM-27451 which comprise all or portions of Section 31, Township 20.5 South, Range 22 East, Section 6, Township 21 South, Range 22 East, and Section 1, Township 21 South, Range 21 East, and on the Little Box State and Sweet Thing "36" State Leases, located on all or portions of Section 36, Township 20 South, Range 21 East, and Section 36, Township 20.5 South, Range 21 East. These wells are located approximately 18 miles south of Hope, New Mexico.

**CASE 13024:** Application of Trilogy Operating, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Silurian