FRANCISC HEARING - HEINESDAY - APRIL 4, 1990 PRPO H9,0; EXIT;

CASE 9897: (Continued from March 21, 1990, Examiner Hearing.)

Application of Siete 0:1 & Gas Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its Sackett Federal Lease underlying the S/2 SW/4 and SW/4 SE/4 of Section 29, Township 17 South, Range 29 East, by the injection of water into the Grayburg Jackson Pool through the perforated interval from approximately 2300 feet to 3220 feet in its Sackett Federal Hell No. 2 located 660 feet from the South line and 1650 feet from the West line (Unit N) of said Section 29. Said well is located approximately 7 miles west by south of Loco Hills, New Mexico.

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CASE 9878: (Continued from March 21, 1990, Examiner Hearing.)

Application of Chevron USA Inc. for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the W/2 NE/4, SE/4 NE/4, and SE/4 NW/4 of Section 8, Township 20 South, Range 37 East, Eumont Gas Pool. Said unit is to be simultaneously dedicated to the Bertie Whitmire Well Mos. I and 2 located at standard gas well locations 1980 feet from the North and East lines (Unit G) and 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 8, respectively. Said area is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9885: (Continued from March 21, 1990, Examiner Hearing.)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying either the SE/4 SW/4 of Section 5 and the E/2 W/2 of Section 8, Township 20 South, Range 37 East, forming a non-standard 200-acre gas spacing and proration unit for said pool, or IN THE ALTERNATIVE, the SE/4 SW/4 of said Section 5 and the N/2 NE/4 and NE/4 NW/4 of said Section 8, forming a non-standard 160-acre gas spacing and proration unit for said pool. In either instance the applicant proposes to dedicate all production from the Eumont Gas Pool to the existing Britt "B-8" Well No. 1 located 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 8 and to a second well to be drilled at a standard gas well location within the applicable non-standard unit. Applicant further seeks to be designated operator of the non-standard gas proration unit so created and be entitled to recover out of the production therefrom its cost of drilling, completing and equipping a new infill well, plus an equitable and proper percentage of the value of the existing wellbore of said Britt "B-8" Well No. 1, and all costs of supervision and operation of such unit, and that such order also provide for any other relief which may be deemed equitable and proper. The subject area is located approximately 2.25 miles south of Monument, New Mexico.

CASE 9898: (Continued from March 21, 1990, Examiner Hearing.)

Application of Doyle Hartman for compulsory pooling, a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Eumont Gas Pool underlying the SE/4 SW/4 and SE/4 of Section 5 and the NE/4 NE/4 and NE/4 NM/4 of Section 8, all in Township 20 South, Range 37 East, forming a non-standard 280-acre gas spacing and proration unit for said pool. The applicant proposes to dedicate all production from the Eumont Gas Pool to the existing Britt-Laughlin Com. Hell No. 5 (formerly the 0xy USA, Inc. Laughlin "B" Hell No. 5) located 330 feet from the South line and 2310 feet from the East line (Unit 0) of said Section 5 and to the existing Britt-Laughlin Com. Hell No. 1 (formerly the Britt "B-8" Hell No. 1) located 660 feet from the North line and 1980 feet from the Hest line (Unit C) of said Section 8 and to a third well to be drilled at an undetermined location in the SE/4 of said Section 5. Applicant further seeks to be designated operator of the non-standard gas proration unit so created and be entitled to recover out of the production therefrom his costs of drilling, completing and equipping a new infill well, plus a 200% risk factor for drilling, completing and equipping and infill well, plus a 200% risk factor for drilling, completing and equipping and infill well, plus a 200% risk factor for drilling, completing and equipping and equipping

<u>CASE 9906</u>: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Lea County, New Hexico.

a. CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Yeso production and designated as the Humble City-Yeso Pool. The discovery well is the Yates Petroleum Corporation Humble City ADH Well No. 1 located in Unit 0 of Section 11, Township 17 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NHPM Section 11: SE/4

b. EXTEND the South Corbin-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM Section 29: W/2 Section 32: NW/4

c. EXTEND the West Corbin-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, HMPM Section 13: NE/4

d. EXTEND the Denton-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM Section 25: NW/4

e. EXTEND the South Flying M-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 32 EAST, NHPM Section 14: SE/4

f. EXTEND the Flying M-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM Section 4: SH/4

Section 4: SW/4 Section 5: SE/4 Section 9: NW/4

g. EXTEND the Gem-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 31: SE/4 Section 32: S/2

h. EXTEND the Hat Mesa-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 32 EAST, NHPM Section 4: Lots 1, 2, 7 and 8

i. EXTEND the King-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 37 EAST, NMPM Section 1: W/2

j. EXTEND the Lane-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM Section 26: SE/4

k. EXTEND the Quail Ridge-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM Section 6: N/2

1. EXTEND the Skaggs-Abo Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM Section 15: \$/2

m. EXTEND the Hantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 22: N/2 Section 23: NW/4

n. EXTEND the Young-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM Section 16: NE/4

NOTICE NOTICE NOTICE

COMMENTS IN CASE 9018 SCHEDULED TO BE HEARD BEFORE THE OIL CONSERVATION COMMISSION ON MAY 24, 1990, WILL BE ACCEPTED BY THE COMMISSION UNTIL THE TIME OF THE HEARING. TESTIMONY AND ORAL OR WRITTEN COMMENTS MAY BE PRESENTED AT THE HEARING. SAID CASE 9018 CONCERNS THE AMENDMENT OF RULE 11(b) OF ORDER NO. R-8170-A RELATING TO OVERPRODUCTION LIMITS.