## DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 16, 2000 8:15 A.M. - 2040 South Pacheco Santa Fe, New Mexico

Dockets Nos. 35-00 and 36-00 are tentatively set for December 7 and December 21, 2000. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 12182: (Reopened)

In the matter of Case 12182 being reopened pursuant to the provisions of Division Order R-11221, which order promulgated the Temporary Special Rules and Regulations for the North Hardy-Strawn Pool in Lea County, New Mexico. Operators in this pool may appear and show cause why the Temporary Special Rules and Regulations for this pool should not be rescinded.

**CASE 12532:** 

Application of Conoco Inc. to increase the special depth bracket oil allowable for the North Hardy-Strawn Pool, Lea County, New Mexico. Applicant seeks an order amending Rule 6 of the Special Rules for the North Hardy Strawn Pool to increase the depth bracket oil allowable from 600 barrels of oil per day to 900 barrels of oil per day. This pool is located within portions of Sections 25 and 36, Township 20 South, Range 37 East, and Sections 30 and 31, Township 20 South, Range 38 East, and is approximately 12 miles south southwest of Hobbs, New Mexico.

**CASE 12533:** 

Application of David H. Arrington Oil & Gas Inc. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Morrow formation underlying the N/2 of Section 26, Township 18 South, Range 24 East, for any and all formations and/or pools developed on 320-acre gas spacing within the vertical extent, including the Penasco-Morrow Gas Pool, and the Penasco Draw Permo-Penn (Cisco) Gas Pool. This unit is to be dedicated to its Yellow Stonefly "26" Federal Com Well No. 1 which will be located at an unorthodox gas well location 1980 feet from the North line and 2600 feet from the West line of this section (Unit F). Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 9 miles south of Artesia, New Mexico.

**CASE 12534**:

Application of Chesapeake Operating Inc. for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the W/2 SW/4 of Section 1, Township 16 South, Range 36 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within the vertical extent, including the Northeast Lovington-Pennsylvanian Pool. This unit is to be dedicated to its Burnett "1" Well No. 1 which will be located at an unorthodox location 1549 feet from the South line and 712 feet from the West line of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 1 mile east of the center of the City of Lovington, New Mexico.

## CASE 12448: Readvertised

Application of Chesapeake Operating, Inc. to reopen Case 12448 and amend Division Order R-11432 which provided for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks to amend this order so that its Boyce "15" Well No. 3 which was drilled at an unorthodox gas well location 2310 feet from the North line and 341 feet from the East line (Unit H) of Section 15, Township 16 South, Range 35 East, can be produced from the "Brunson Interval" of the Atoka formation within the North Shoe Bar-Lower Atoka Gas Pool to be dedicated to a 320-acre gas spacing and proration unit consisting of the E/2 of this section. In addition, applicant seeks an exception from Division Rule 104 so that the Boyce "15" Well No. 1 located in Unit A can continue to be produced from the upper portion of the Atoka formation within this same pool and be simultaneously dedicated to this same spacing unit. This location is located approximately 5 miles west of Lovington, New Mexico.

CASE 12509: Continued from October 19, 2000, Examiner Hearing.

Application of Burlington Resources Oil & Gas Company for approval of a Pilot Project including unorthodox well locations and an exception from the Special Rules and Regulations for the Basin-Dakota Gas Pool for purposes of establishing a pilot infill drilling program within its Culpepper Martin Project Area, consisting of Sections 1-3, 10-15, and 22-24, Township 31 North, Range 12 West whereby up to four wells may be drilled on a standard gas proration unit to determine proper well density for Dakota Wells, San Juan County, New Mexico. Applicant seeks approval for a pilot program including an exception for the Culpepper Martin Project Area from the Special Rules and Regulations for the Basin-Dakota Gas Pool and authorization to drill wells at unorthodox locations anywhere in the proration unit (GPU) provided such wells are located no closer than 660 feet to the outer boundary of the GPU on which the well is located and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary and to increase the well density from the current maximum of two (2) wells (160-acre infill) provided in Order R- 8170 to a maximum of four (4) wells (80-acre infill) per standard 320-acre gas proration and spacing unit for wells dedicated to the Basin - Dakota Gas Pool within the project area but not more than one well per 160-acres for those proration units contiguous to the outer boundary of the project area. Applicant further seeks approval for initial project wells at the following unorthodox locations:

## Examiner Hearing – November 16, 2000 Docket No. 34-00 Page 2 of 7

Well Name **Footage Dedication** Location Davis #7F 180' FNL, 2465' FWL W/2 C 11-31N-12W Davis #8R 2270' FSL, 2140' FEL E/2 J 11-31N-12W East #7F 1740' FNL, 2395' FWL W/2 F 14-31N-12W Grenier #11F 965' FNL, 500' FWL W/2 D 13-31N-12W Harper #2F 2020' FSL, 1585' FEL E/2J 14-31N-12W Richardson #8F 2510' FSL, 1915' FEL E/2 J 10-31N-12W

Applicant further seeks an administrative process for expanding the pilot project to include additional wells. The unit is located approximately 7 miles east-southeast of La Plata, New Mexico.

#### **CASE 12535:**

Application of Ocean Energy Resources, Inc. for compulsory pooling and four non-standard oil and gas spacing and proration units, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 1-8 of irregular Section 3, Township 16 South, Range 35 East, and in the following manner: Lots 1-8 to form a non-standard 355.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool and Undesignated North Shoe Bar-Morrow Gas Pool; Lots 3-6 to form a non-standard 177.21-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; Lots 3 and 4 to form a non-standard 97.21-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated South Big Dog-Strawn Pool; and Lot 4 to form a non-standard 48.43-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Townsend-Permo Upper Pennsylvanian Pool. The units are to be dedicated to applicant's Townsend State Com. Well No. 10, to be located at an orthodox location 800 feet from the North line and 660 feet from the West line of Section 3. 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 ocated approximately 6 miles west-northwest of Lovington, New Mexico.

#### **CASE 12536:**

Application of Concho Resources, Inc. 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 32, Township 18 South, Range 24 East, and in the following manner: The S½ 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 the Antelope Sink-Morrow Gas Pool; and the SW¼ to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 1:50-acre spacing within that vertical extent. The units are to be dedicated to applicant's Southern Cross 32 State Com. Well No. 1, to be located 1650 feet from the South line and 1980 feet from the West line (Unit K) of Section 32. 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 10½ miles southeast of Hope, New Mexico.

#### **CASE 12510**:

Continued from November 2, 2000, Examiner Hearing.

Application of Pogo Producing Company for salt water disposal, Lea County, New Mexico. Applicant seeks approval to use its Red Tank "30" State Well No. 3, located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 30, Township 22 South, Range 33 East, to dispose of produced water into the Undesignated West Red Tank-Delaware Pool through the perforated and open hole interval from 4946-6400 feet subsurface. The well is located approximately 21½ miles southwest of Oil Center, New Mexico.

#### **CASE 12537**:

Application of Kerr-McGee Oil & Gas Onshore LLC to extend the time during which it may make up underproduction in a gas proration unit in the Indian Basin-Upper Pennsylvanian Gas Pool, Eddy County, New Mexico. Applicant seeks an order allowing it until March 31, 2002 during which to make up underproduction in a gas proration unit in the Indian Easin-Upper Pennsylvanian Gas Pool comprised of Lots 1-4, S/2 N/2, and S/2 (all) of Section 2, Township 22 South, Range 23 East. The gas proration unit is currently dedicated to applicant's Conoco State Gas Com. Well Nos. 6 and 7. The gas proration unit is located approximately 15 miles southwest of Seven Rivers, New Mexico.

## **CASE 12500**:

Continued from November 2, 2000, Examiner Hearing.

Application of Southwestern Energy Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described acreage in Section 31, Township 17 South, Range 28 East, and in the following manner: The N/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 Southeast Logan Draw-Atoka Gas Pool and Undesignated North Illinois: Camp-Morrow Gas Pool; the NE/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 the Undesignated Logan Draw-Wolfcamp Gas Pool; and the NE/4 NE/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, ir cluding but not limited to the Undesignated Logan Draw-Wolfcamp Pool. The units are to be dedicated to applicant's Big Bluff "31" State Corn. Well No. 1, to be drilled at an orthodox location 660 feet from the North and East lines of Section 31. 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 11½ miles southeast of Artesia, New Mexico.

# Examiner Hearing – November 16, 2000 Docket No. 34-00 Page 3 of 7

**CASE 12538:** 

Application of Ricks Exploration, Inc. for pool creation and special pool rules, Lea County, New Mexico. Applicant seeks the creation of the North Trinity-Devonian Pool, to initially cover the SE/4 of Section 22, Township 12 South, Range 38 East, and the promulgation of Special Rules and Regulations for the North Trinity-Devonian Pool, including provisions for 160-acre spacing and special well location requirements. The proposed pool is centered approximately 14 miles east of Tatum, New Mexico.

#### **CASE 12511**:

Continued from November 2, 2000, Examiner Hearing.

Application of Cross Timbers Oil Company for compulsory pooling and an unorthodox oil well location, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying the following described acreage in Section 28, Township 28 North, Range 10 West, and in the following manner: The E/2 of Section 28 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 Blanco-Mesaverde Gas Pool and Basin-Dakota Gas Pool; the SE/4 of Section 28 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 but not limited to the Undesignated Otero-Chacra Gas Pool; and the NW/4 SE/4 of Section 28 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 but not limited to the Undesignated Kutz-Gallup Pool. The units are to be dedicated to applicant's Federal Gas Com. Well No. 1E, to be drilled at an orthodox gas well location/unorthodox oil well location 1610 feet from the South line and 1570 feet from the East line 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 Cross Timbers Operating Company as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 7 miles southeast of Bloomfield, New Mexico.

#### **CASE 12523**:

Continued from November 2, 2000, Examiner Hearing.

Application of Cross Timbers Oil Company for compulsory pooling and an unorthodox oil well location, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying the following described acreage in Section 17, Township 28 North, Range 10 West, and in the following manner: The E/2 of Section 17 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 Blanco-Mesaverde Gas Pool and Basin-Dakota Gas Pool; the SE/4 of Section 17 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 but not limited to the Otero-Chacra Gas Pool; and the SE/4 SE/4 of Section 17 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 but not limited to the Undesignated Armenta-Gallup Pool. The units are to be dedicated to applicant's Federal E Well No. 1E, to be drilled at an orthodox gas well location/unorthodox oil well location 1255 feet from the South line and 930 feet from the East line of Section 17. 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 Cross Timbers Operating Company as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 5 miles southeast of Bloomfield, New Mexico.

#### **CASE 12524:**

Continued from November 2, 2000, Examiner Hearing.

Application of Cross Timbers Oil Company for compulsory pooling and an unorthodox oil well location, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying the following described acreage in Section 4, Township 27 North, Range 10 West, and in the following manner: The E/2 of Section 4 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 Basin-Dakota Gas Pool; the SE/4 of Section 4 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 but not limited to the Undesignated Otero-Chacra Gas Pool; and the SW/4 SE/4 of Section 4 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 but not limited to the Undesignated Kutz-Gallup Pool. The units are to be dedicated to applicant's Federal F Well No. 2E, to be drilled at an orthodox gas well location/unorthodox oil well location 1060 feet from the South line and 1805 feet from the East line of Section 4. 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 Cross Timbers Operating Company as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 7 1/2 miles southeast of Bloomfield, New Mexico.

# Examiner Hearing – November 16, 2000 Docket No. 34-00 Page 4 of 7

CASE 12525: Continued from November 2, 2000, Examiner Hearing.

Application of Cross Timbers Oil Company for compulsory pooling and an uncerthodox oil well location, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying the following described acreage in Section 16, Township 27 North, Range 10 West, and in the following manner: The E/2 of Section 16 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 Basin-Dakota Gas Pool; the SE/4 of Section 16 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; and the SW/4 SE/4 of Section 16 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 but not limited to the Undesignated Kutz-Gallup Pool. The units are to be dedicated to applicant's Federal F Well No. 1E, to be drilled at an orthodox gas well location/unorthodox oil well location 1125 feet from the South line and 1665 feet from the East line of Section 16. 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 Cross Timbers Operating Company as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 10 miles southeast of Bloomfield, New Mexico.

**CASE 12539:** 

Application of Maynard Oil Company for simultaneous Dedication in the 'Wilson-Morrow Gas Pool, Lea County, New Mexico. Applicant seeks authorization to simultaneously dedicate its existing Wilson Deep Unit Well No. 1 (located 2080 feet from the North and West lines - Unit F) and its proposed Wilson Unit Well No. 2 (to be located at a standard location 660 feet from the North and West lines - Unit D) to a standard 320-acre gas spacing unit comprised of the W/2 of Section 13, Township 21 South, Range 34 East. This location is approximately 16 miles west-northwest of Eunice, New Mexico.

CASE 12518: Continued from November 2, 2000, Examiner Hearing.

Application of Concho Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations and pools developed on 320-acre spacing in the E/2 cf Section 14, Township 23 South, Range 26 East, which includes but is not necessarily limited to the Undesignated Happy Valley-Morrow Gas Pool, Undesignated East McKittrick Hills-Atoka Gas Pool, Southeast Revelation-Strawn Gas Pool, and the McKittrick Canyon-Upper Pennsylvanian Gas Pool. The units are to be dedicated to its Filaree "24" Federal Com Well No. 2 to be drilled at a standard location 1300 feet from the South line and 750 feet from the East line of Section 24 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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 risk involved in drilling the well. The area is located approximately 6 miles west of Carlsbad, New Mexico.

<u>CASE 12540</u>:

Application of Penwell Energy, Inc. for adoption of special pool rules, McKinley County, New Mexico. Applicant in the above-styled cause seeks the promulgation of special rules and regulations for the Arena Blanca-Entrada Oil Pool, including provisions for 160-acre spacing and special well location requirements. This pool is located in portions of Section 36, Township 20 North, Range 5 West. The area is located approximately 9 miles north northwest of Torreon, New Mexico.

CASE 12386: Continued from October 5, 2000, Examiner Hearing.

Application of Threshold Development Company 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 following described acreage in Section 16, Township 24 South, Range 33 East, and in the following manner: (a) 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 this vertical extent which presently includes the Undesignated Johnson Ranch-Wolfcamp Gas Pool; (b) the NW/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 said vertical extent; and (c) the NE/4 NW/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 this vertical extent. These three units are to be dedicated to a single well, the proposed Johnson Ranch State "16" Well No. 1, to be drilled within the NE/4 NV//4 of Section 16 at a location considered to be standard for all three units. 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 the operator of the well and units, and a charge for risk involved in drilling the well. The proposed well location is approximately four miles west-northwest of the junction of New Mexico State Road 128 and the Delaware Basin Road.

CASE 12515: Continued from October 19, 2000, Examiner Hearing.

Application of Manzano Oil Corporation for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the King State Exploratory Unit for an area comprising 80 acres of State of New Mexico and fee lands in Sections 35 and 36 of Township 13 South, Range 37 East, which is located approximately 9 miles east of McDonald, New Mexico

# Examiner Hearing – November 16, 2000 Docket No. 34-00 Page 5 of 7

## CASE 12516: Continued from October 19, 2000, Examiner Hearing.

Application of Manzano Oil Corporation for directional drilling and an unorthodox well location, Lea County, New Mexico. Applicant seeks authorization to re-enter its New Mexico C - #3 Well at a previously approved unorthodox surface location 1550 feet from the North line and 10 feet from the West line of Section 36, Township 13 South, Range 37 East, and directionally drill in the Devonian formation, King Devonian Pool, to an unorthodox bottomhole location 2400 feet from the North line and 190 feet from the East line of Section 35, Township 13 South, Range 37 East. The SE/4 NE/4 of Section 35 is to be dedicated to the well. The unit is located approximately 9 miles east of McDonald, New Mexico.

### **CASE 12541:**

Application of David H. Arrington Oil and 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 Morrow formation, underlying the N/2 for all formations and/or pools developed on 320-acre spacing; the NW/4 for all formations and/or pools developed on 160-acre spacing; the N/2 NW/4 for all formations and/or pools developed on 80-acre spacing including but not limited to the West Lovington-Strawn Pool; and the NW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Townsend-Permo Upper Pennsylvanian Pool, the Undesignated Townsend-Strawn Pool, the Undesignated Townsend-Abo Pool and the Undesignated Townsend-Devonian Pool, all in Section 35, Township 15 South, Range 35 East. Applicant proposes to dedicate these pooled units to its Disco Midge Well No. 1 to be drilled at a standard gas well location in the NW/4 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 risk involved in drilling the well. The area is located approximately 1.5 miles northwest of Lovington, New Mexico.

## **CASE 12542:**

Application of David H. Arrington Oil and Gas, Inc. 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 S/2 for all formations developed on 320 acre spacing including but not limited to the Penasco Draw-Permo Penn Gas Pool, the Undesignated Antelope Sink-Atoka Gas Pool, and the Undesignated North Antelope Sink-Morrow Gas Pool, and the SE/4 for all formations developed on 160-acre spacing, all in Section 15, Township 18 South, Range 24 East. Applicant proposes to dedicate these pooled units to its Gold Stonefly Federal "15" Well No. 1 to be drilled at a standard gas well location in the SE/4 of Section 15. 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 risk involved in drilling the well. The area is located approximately 8 miles southwest of Artesia, New Mexico.

### **CASE 12543**:

Application of EOG Resources, Inc. for amendment of Division Order No. R-11433 for approval of an unorthodox well location, Eddy County, New Mexico. Applicant seeks amendment of Division compulsory pooling Order No. R-11433 to approve an unorthodox well location for its Warp Speed "7" Federal Com Well No. 1 to be drilled 2280 feet from the North line and 1930 feet from the West line of Section 7, Township 17 South, Range 29 East. The area is located approximately 7 miles northwest of Loco Hills, New Mexico.

#### **CASE 12544:**

Application of EOG Resources, Inc. for an unorthodox well location, Eddy County, New Mexico. Applicant seeks authorization to drill its Conoco "22" Federal Com Well No. 1 as a wildcat well through the top 100 feet of the Mississippian Chester formation, at an unorthodox well location 2310 feet from the North line and 1427 feet from the West line of Section 22, Township 16 South, Range 29 East. The W/2 of Section 22 is to be dedicated to the well. The unit is located approximately 9 miles northwest of Loco Hills, New Mexico.

#### **CASE 12520:**

Continued from October 19, 2000, Examiner Hearing.

Application of BP Amoco for establishment of a downhole commingling reference case and pre-approval of downhole commingling for formations and pools in the Gallegos Canyon Unit pursuant to Division Rule 303.C (4) and the adoption of special administrative rules therefor, San Juan County, New Mexico. Applicant, in accordance with Rule 303.C (4), seeks to establish a downhole commingling reference case to provide for (a) compatibility criteria, (b) pressure criteria, (c) cross-flow criteria, (d) prorationing criteria, (e) value criteria, and (f) a modification of notification rules on an area-wide basis authorization for downhole commingling of Fruitland Coal, Pictured Cliffs, Gallup, and Dakota gas production in the wellbores of existing or future wells drilled anywhere within the Gallegos Canyon Unit Area located in Townships 27, 28 and 29 North, Ranges 11, 12 and 13 West. The center of the area is located approximately 5 miles southeast of Farmington, New Mexico.

#### **CASE 12498**:

Continued from October 19, 2000, Examiner Hearing.

Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant seeks authorization to drill its Chosa "ATR" Federal Well No. 1 (API No. 30-015-31215) to the Morrow formation, Undesignated Chosa Draw-Morrow Gas Pool, at an unorthodox well location 2250 feet from the South line and 1060 feet from the West line (Unit L) of Section 8, Township 25 South, Range 26 East. The W/2 of Section 8 is to be dedicated to the well. The unit is located approximately 18 miles southwest of Carlsbad, New Mexico.

# Examiner Hearing – November 16, 2000 Docket No. 34-00 Page 6 of 7

**CASE 12545**:

Application of Harvey E. Yates Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the N/2, in all formations developed on 160-acre spacing in the NW/4, in all formations developed on 80-acre spacing in the N/2 NW/4, and in all formations developed on 40-acre spacing in the SW/4 NW/4 of Section 7, Township 20 South, Range 27 East. The unit is to be dedicated to it: Turner 7 Federal Deep Well No. 1 which has been drilled at a standard location 1980 feet from the North line and 660 feet from the West line of Section 7 to a depth sufficient to test all formations from the surface to the base of the Morrow formation, McMillan-Morrow Gas Fool. 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 risk involved in drilling the well. The area is located approximately 3 miles southeast of Lakewood, New Mexico.

**CASE 12490:** 

Continued from November 2, 2000, Examiner Hearing.

Application of Permian Resources Incorporated for produced water disposa, Lea County, New Mexico. Applicant seeks approval to re-enter the existing Harrison Well No. 2-22, located in the NE/4 SE/4 of Section 22, Township 25 South, Range 37 East, and utilize the well to dispose of produced water into the Queen formation through the open hole interval from approximately 3,218 feet to 3,366 feet. This area is located approximately 2 miles east of Jal, New Mexico.

**CASE 12441:** 

Continued from November 2, 2000, Examiner Hearing.

Application of LG&E Natural Pipeline LLC for special rules for the Gran a Ridge Morrow Gas Storage Unit, Lea County, New Mexico. Applicant seeks an order establishing special rules applicable to wells drilled and completed or recompleted in the Morrow formation within its Grama Ridge Morrow Gas Storage Unit and within each 320-acre spacing unit immediately adjacent to the Unit in the following described area:

#### Grama Ridge Morrow Gas Storage Agreement

Township 21 South, Range 34 East

Section 33: All

Section 34: All

Township 22 South, Range 34 East

Section 3: All

Section 4: All

Section 10: All

#### Acreage Adjacent to Unit

Township 21 South, Range 34 East

Section 26: NW/4, S/2

Section 27:All

Section 28: All

Section 29: E/2, SW/4

Section 32: All

Section 35: All

## Township 22 South, Range 34 East

Section 2: All

Section 5: All

Section 8: N/2, SE/4

Section 9: All

Section 11: All

Section 14: N/2, SW/4

Section 15: All

Section 16: N/2, SE/4

The application requests the Division establish rules requiring operators of all newly drilled or recompleted wells in the Morrow formation to provide the operator of the Unit with information and data obtained during drilling, completion, and production to determine whether such wells are in communication with the unitized formation or would otherwise interfere with Unit operations. The special project rules would also include provisions requiring the operators of wells determined to be in communication with the Unitized Interval to demonstrate how such well may be produced without interfering with Unit operations or to take such other action determined to be appropriate. The Grama Ridge Morrow Gas Storage Unit is approximately 18 miles west of Eunice, New Mexico.

## Examiner Hearing – November 16, 2000 Docket No. 34-00 Page 7 of 7

## CASE 12527: Continued from November 2, 2000, Examiner Hearing.

Application of LG&E Natural Pipeline LLC Pursuant To The New Mexico Underground Storage of Natural Gas Act, Lea County, New Mexico. Applicant seeks an order from the Division making certain findings pursuant to Section 70-6-5 of the New Mexico Underground Storage of Natural Gas Act (NMSA 1978 Sections 70-6-1, et seq.) preparatory to the condemnation of certain property interests in the Morrow Formation underlying the E/2 of Section 33, Township 21 South, Range 34 East, NMPM in Lea County. Applicant seeks to condemn such interests for use in connection with gas storage, injection and withdrawal operations for its Grama Ridge Morrow Gas Storage Unit. The Unit and the subject lands are located approximately 18 miles west of Eunice, New Mexico.

#### **CASE 12502:** Continued from November 2, 2000, Examiner Hearing.

In the matter of the hearing called by the New Mexico Oil Conservation Division on its own motion to amend Division Order No. R-5878, as amended. The Division seeks to further amend its "Special Rules for Applications for Wellhead Price Ceiling Category Determinations", as promulgated by Division Order No. R-5878, as amended, as necessary in order to comply with the Federal Energy Regulatory Commission's Order No. 616, which reinstates wellhead determination procedures for Section 107 gas that qualifies for a federal tax credit under Section 29 of the Internal Revenue Code.

### <u>CASE 12458</u>: Continued from September 21, 2000, Examiner Hearing.

Application of the Oil Conservation Division for an order requiring D. W. Berry to properly plug one well in Chaves County and one well in Eddy County, New Mexico. Applicant seeks an order requiring D. W. Berry to appear and show cause why one (1) well located in Section 8, Townships 17 South, Range 28 East, and one (1) well located in Section 2, Township 15 South, Range 29 East, Chaves County, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug these wells, the Division seeks an order (i) requiring operator to properly plug these wells; (ii) authorizing the Division to plug these wells; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. In The Absence of Objection, This Case Will be Taken Under Advisement.

#### CASE 12474: Continued from August 24, 2000, Examiner Hearing.

Application of the Oil Conservation Division for an order requiring Agua, Inc. to properly plug one well, Lea County, New Mexico. Applicant seeks an order requiring Agua, Inc. to appear and show cause why one (1) well located in Section 31, Township 18 South, Range 37 East, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug these wells, the Division seeks an order (i) requiring operator to properly plug this well; (ii) authorizing the Division to plug this well; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. In The Absence of Objection, This Case Will be Taken Under Advisement.

#### CASE 12475: Continued from August 24, 2000, Examiner Hearing.

Application of the Oil Conservation Division for an order requiring COM-TEK Resources, Inc./North Lea Joint Venture to properly plug four wells, Lea County, New Mexico. Applicant seeks an order requiring COM-TEK Resources, Inc./North Lea Joint Venture to appear and show cause why five (5) wells located in Sections 17 and 12, Township 9 South, Ranges 34 and 35 East, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug these wells, the Division seeks an order (i) requiring operator to properly plug these wells; (ii) authorizing the Division to plug these wells; (iii) ordering a forfeiture of the plugging bond, and (iv) assessing fines for failure to comply with the order. In The Absence of Objection, This Case Will be Taken Under Advisement.

## DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 19, 2000 8:15 A.M. - 2040 South Pacheco Santa Fe. New Mexico

Dockets Nos. 31-00 and 32-00 are tentatively set for November 2 and November 16, 2000. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

## **CASE 12505**:

Application of Dugan Production Corp. to amend Division Order No. R-11371, for produced water disposal, San Juan County, New Mexico. Applicant seeks approval to allow injection of produced water into the Menefee member of the Mesaverde formation from approximately 2,950 feet to 3,690 feet, in addition to the previously authorized Point Lookout member of the Mesaverde formation from approximately 3,690 feet to 3,820 feet in the existing Stella Needs A Com Well No. 1, located in the NE/4 SW/4 of Section 36, Township 30 North, Range 14 West. The subject well is located approximately 8 miles northwest of Farmington, New Mexico. *In The Absence of Objection, This Application Will Be Taken Under advisement.* 

#### **CASE 12490**:

Continued from October 5, 2000, Examiner Hearing.

Application of Permian Resources Incorporated for produced water disposal, Lea County, New Mexico. Applicant seeks approval to re-enter the existing Harrison Well No. 2-22, located in the NE/4 SE/4 of Section 22, Township 25 South, Range 37 East, and utilize the well to dispose of produced water into the Queen formation through the open hole interval from approximately 3,218 feet to 3,366 feet. This area is located approximately 2 miles east of Jal, New Mexico.

#### **CASE 12506:**

Application of Sapient Energy Corporation for modification of Division Order R-10432 to expand the area exempt from the salt protection string requirements of Division Order R-111-P to include the entire West Teas (Yates-Seven Rivers) Unit area boundary, Lea County, New Mexico. Applicant seeks authority to delete the salt protection string requirements of Order R-111-P for production and injection wells to be located in portions of Sections 4, 9, 16 and 17, Township 20 South, Range 33 East, and to be drilled in the West Teas Yates-Seven Rivers Pool. The subject area is located north of Highways 176 and 180 and is approximately 1 mile east of Laguna Gatuna, New Mexico.

#### **CASE 12507:**

Application of Yates Petroleum Corporation for Compulsory Pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface down through and including the Ordovician formation underlying the S/2 of Section 3, Township 9 South, Range 26 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 this vertical extent. 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 proposed well location is approximately 17 miles northeast of Roswell, New Mexico.

### CASE 12448: Reopened

Application of Chesapeake Operating, Inc. to reopen Case 12448 and amend Division Order R-11432 which provided for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks to amend this order so that its Boyce "15" Well No. 3 which was drilled at an unorthodox gas well location 2310 feet from the North line and 341 feet from the East line (Unit H) of Section 15, Township 16 South, Range 35 East, can be produced from the "Brunson Interval" of the Atoka formation within the proposed North Shoe Bar-Lower Atoka Gas Pool to be dedicated to a 320-acre gas spacing and proration unit consisting of the E/2 of this section. This location is located approximately 5 miles west of Lovington, New Mexico.

## CASE 12497:

Continued from October 5, 2000, Examiner Hearing.

Application of OXY USA Inc., for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Morrow formation underlying the W/2 of Section 21, Township 22 South, Range 26 East, to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within the vertical extent, including the South Happy Valley-Atoka Gas Pool and the Happy Valley-Morrow Gas Pool, to be dedicated to its Wonder Federal Well No. 1 to be drilled and completed at a standard gas well location in Unit N of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs in accordance with COPAS Bulletin No. 2 as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well, a charge for risk involved in this well and provisions for the drilling of an optional second well in accordance with Division Rule 104. This unit is located approximately 4-1/2 miles southwest of Carlsbad, New Mexico.

## <u>CASE 12508</u>:

Application of Burlington Resources Oil & Gas Company for approval of a Pilot Project including unorthodox well locations and an exception from the Special Rules and Regulations for the Basin-Dakota Gas Pool for purposes of establishing a pilot infill drilling program within its San Juan 27-5 Unit, consisting of Township 27 North, Range 5 West, whereby up to four wells may be drilled on a standard gas proration unit to determine proper well density for Dakota wells, Rio Arriba County, New Mexico. Applicant seeks approval for a pilot program including an exception for the San Juan 27-5 Unit from the Special Rules and Regulations for the Basin-Dakota Gas Pool and authorization to drill wells at orthodox and unorthodox locations anywhere in the proration unit provided such wells are located no closer than 660 feet to the outer boundary of the San Juan 27-5 Unit or closer than 10 feet from any outer boundary of the quarter section on which the well is located and to increase the well density from the current maximum of two (2) wells (160-acre infill) provided in Order R-8170 to a maximum of four (4) wells (80-acre infill) per gas proration and spacing unit for wells dedicated to the Basin Dakota Gas Pool within the San Juan 27-5 Unit, but not more than one well per 160 acres for those proration units contiguous to the outer boundary of the San Juan 27-5 Unit. Applicant further seeks approval for 5 of the initial wells all at unorthodox well locations:

## Examiner Hearing – October 19, 2000 Docket No. 29-00 Page 2 of 10

-----

Well Name	Footage	<b>Dedication</b>	Location
San Juan 27-5 Unit #90F	2275' FNL, 200' FEL	E/2	H 16-27N-5W
San Juan 27-5 Unit #112F	2485' FNL, 2445' FWL	W/2	F 08-27N-5W
San Juan 27-5 Unit #114F	380' FNL, 2310' FWL	N/2	C 17-27N-5W
San Juan 27-5 Unit #123F	800' FSL, 2265' FEL	S/2	O 17-27N-5W
San Juan 27-5 Unit #137F	560' FNL, 305' FEL	E/2	A 18-27N-5W

Applicant further seeks an administrative process for expanding the pilot project to include additional wells. The unit is located approximately 5 miles southeast of Gobernador Camp, New Mexico.

### **CASE 12509:**

Application of Burlington Resources Oil & Gas Company for approval of a Pilot Project including unorthodox well locations and an exception from the Special Rules and Regulations for the Basin-Dakota Gas Pool for purposes of establishing a pilot infill drilling program within its Culpepper Martin Project Area, consisting of Sections 1-3, 10-15, and 22-24, Township 31 North, Range 12 West whereby up to four wells may be drilled on a standard gas proration unit to determine proper well density for Dakota Wells, San Juan County, New Mexico. Applicant seeks approval for a pilot program including an exception for the Culpepper Martin Project Area from the Special Rules and Regulations for the Basin-Dakota Gas Pool and authorization to drill wells at unorthodox locations anywhere in the proration unit (GPU) provided such wells are located no closer than 660 feet to the outer boundary of the GPU on which the well is located and not closer than 10 feet to any interior quarter or quarter-quarter section line or subdivision inner boundary and to increase the well density from the current maximum of two (2) wells (160-acre infill) provided in Order F - 8170 to a maximum of four (4) wells (80-acre infill) per standard 320-acre gas proration and spacing unit for wells dedicated to the Basin - Dakota Gas Pool within the project area but not more than one well per 160-acres for those proration units contiguous to the outer boundary of the project area. Applicant further seeks approval for initial project wells at the following unorthodox locations:

Well Name	Footage	<b>Dedication</b>	<b>Location</b>
Davis #7F	180' FNL, 2465' FWL	W/2	C 11-31N-12W
Davis #8R	2270' FSL, 2140' FEL	E/2	J 11-31N-12W
East #7F	1740' FNL, 2395' FWL	W/2	F 14-31N-12W
Grenier #11F	965' FNL, 500' FWL	W/2	D 13-31N-12W
Harper #2F	2020' FSL, 1585' FEL	E/2	J 14-31N-12W
Richardson #8F	2510' FSL, 1915' FEL	E/2	J 10-31N-12W

Applicant further seeks an administrative process for expanding the pilot project to nclude additional wells. The unit is located approximately 7 miles east-southeast of La Plata, New Mexico.

#### **CASE 12501**:

### Continued from October 5, 2000, Examiner Hearing.

Application of Santa Fe Snyder Corporation for pool creation and special pool rules, Eddy County, New Mexico. Applicant seeks the creation of the North Hackberry-Bone Spring Pool, covering the SE/4 of Section 6, Township 19 South, Range 31 East, and the promulgation of Special Pool Rules for the North Hackberry-Bone Spring Pool, including provisions for 160-acre spacing, special well location requirements, and a gas:oil ratio of 30,000 cubic feet of gas for each barrel of oil produced. The proposed pool is centered approximately 10 miles southeast of Loco Hills, New Mexico.

## **CASE 12510:**

Application of Pogo Producing Company for salt water disposal, Lea County, New Mexico. Applicant seeks approval to use its Red Tank "30" State Well No. 3, located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 30, Township 22 South, Range 33 East, to dispose of produced water into the Undesignated West Red Tank-Delaware Pool through the perforated and open hole interval from 4946-6400 feet subsurface. The well is located approximately 21½ miles southwest of Oil Center, New Mexico.

#### <u>CASE 12511</u>:

Application of Cross Timbers Oil Company for compulsory pooling and an unorthodox oil well location, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying the following described acreage in Section 28, Township 28 North, Range 10 West, and in the following manner: The E/2 of Section 28 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 Blanco-Mesaverde Gas Pool and Basin-Dakota Gas Pool; the SE/4 of Section 28 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 but not limited to the Undesignated Otero-Chacra Gas Pool; and the NW/4 SE/4 of Section 28 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 but not limited to the Undesignated Kutz-Gallup Pool. The units are to be dedicated to applicant's Federal Gas Com. Well No. 1E, to be drilled at an orthodox gas well location/unorthodox oil well location 1610 feet from the South line and 1570 feet from the East line 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 Cross Timbers Operating Company as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 7 miles southeast of Bloomfield, New Mexico.

# Examiner Hearing – October 19, 2000 Docket No. 29-00 Page 3 of 10

**CASE 12512:** 

Application of Exxon Mobil Corporation to certify a waterflood project for a positive production response pursuant to the Enhanced Oil Recovery Act, Eddy County, New Mexico. Applicant seeks an order certifying that the waterflood project for the Avalon (Delaware) Unit has demonstrated a positive production response pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). The unit encompasses 2118.78 acres of state, federal, and fee lands comprising all or parts of Sections 25 and 26, Township 20 South, Range 27 East, Sections 29-32, Township 20 South, Range 28 East, and Sections 4-6, Township 21 South, Range 27 East. The project is centered approximately 8 miles north of Carlsbad, New Mexico.

**CASE 12513**:

Application of Mewbourne Oil Company for compulsory pooling and non-standard gas spacing and proration units, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation (except the Atoka formation) underlying the following described acreage in Section 35, Township 18 South, Range 29 East, and in the following manner: Lots 1-4 and the N/2 S/2 (S/2 equivalent) to form a non-standard 311.81-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the North Turkey Track-Morrow Gas Pool; and Lots 1, 2, and the N/2 SE/4 (SE/4 equivalent) to form a non-standard 156.46-acre gas spacing and proration unit for any formations and/or pools developed on 160- acre spacing within that vertical extent. The units are to be dedicated to applicant's Sand Dunes "35" Fed. Com. Well No. 1, located 1650 feet from the South line and 990 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 9 miles south-southwest of Loco Hills, New Mexico.

**CASE 12514:** 

Application of Chi Energy, Inc. 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 22 South, Range 25 East, and in the following manner: The W/2 of Section 11 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 the Undesignated Catclaw Draw-Wolfcamp Gas Pool, Undesignated McKittrick Canyon-Upper Pennsylvanian Gas Pool, Undesignated Hackberry Hills-Canyon Gas Pool, Undesignated Revelation-Strawn Gas Pool, and Revelation-Morrow Gas Pool; the NW/4 of Section 11 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; and the SE/4 NW/4 of Section 11 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40 acres within that vertical extent, including the Undesignated Azotea Mesa-Bone Spring Pool. The units are to be dedicated to applicant's Big Mac "11" Fed. Com. Well No. 1, to be drilled at a location 1980 feet from the North and West lines (Unit F) 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 Chi Operating, Inc. as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 8½ miles west-southwest of Carlsbad, New Mexico.

**CASE 12498:** 

Continued from October 5, 2000, Examiner Hearing.

Application of Yates Petroleum Corporation for an unorthodox well location, Eddy County, New Mexico. Applicant seeks authorization to drill its Chosa "ATR" Federal Well No. 1 (API No. 30-015-31215) to the Morrow formation, Undesignated Chosa Draw-Morrow Gas Pool, at an unorthodox well location 2250 feet from the South line and 1060 feet from the West line (Unit L) of Section 8, Township 25 South, Range 26 East. The W/2 of Section 8 is to be dedicated to the well. The unit is located approximately 18 miles southwest of Carlsbad, New Mexico.

CASE 12493:

Readvertised

Application of Marbob Energy Corporation for contraction of the Lusk-Morrow Gas Pool, Eddy and Lea Counties, New Mexico. Applicant seeks the contraction of the Lusk-Morrow Gas Pool by eliminating therefrom Section 24, Township 19 South, Range 31 East, Eddy County, New Mexico, and Section 21, Township 19 South, Range 32 East, Lea County, New Mexico. The area is located approximately 14 miles south-southeast of Maljamar, New Mexico.

Application of Manzano Oil Corporation for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the King State Exploratory Unit for an area comprising 80 acres of State of New Mexico and fee lands in Sections 35 and 36 of Township 13 South, Range 37 East, which is located approximately 9 miles east of McDonald, New Mexico

**CASE 12516:** 

Application of Manzano Oil Corporation for directional drilling and an unorthodox well location, Lea County, New Mexico. Applicant seeks authorization to re-enter its New Mexico C - #3 Well at a previously approved unorthodox surface location 1550 feet from the North line and 10 feet from the West line of Section 36, Township 13 South, Range 37 East, and directionally drill in the Devonian formation, King Devonian Pool, to an unorthodox bottomhole location 2400 feet from the North line and 190 feet from the East line of Section 35, Township 13 South, Range 37 East. The SE/4 NE/4 of Section 35 is to be dedicated to the well. The unit is located approximately 9 miles east of McDonald, New Mexico.

## Examiner Hearing – October 19, 2000 Docket No. 29-00 Page 4 of 10

**CASE 12517:** 

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the E/2 which includes but is not necessarily limited to the Undesignated Angle Ranch Atoka-Morrow Gas Pool; in all formations developed on 160-acre spacing in the NE/4; in all formations developed on 80-acre spacing in the W/2 NE/4; and in all formations developed on 40-acre spacing in the SW/4 NE/4; all in Section 4, Township 19 South, Range 27 East. The unit is to be dedicated to its Kaiser Lake "4" Federal Com. Well No. 1 to be drilled at a standard location in the E/2 of Section 4 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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 Nearburg Producing Company as opera or of the well and a charge for risk involved in drilling the well. The area is located approximately 16 miles southeast of Artesia, New Mexico.

**CASE 12518:** 

Application of Concho Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations and pools developed on 320-acre spacing in the E/2 of Section 14, Township 23 South, Range 26 East, which includes but is not necessarily limited to the Undesignated Happy Valley-Morrovy Gas Pool, Undesignated East McKittrick Hills-Atoka Gas Pool, Southeast Revelation-Strawn Gas Pool, and the McKittrick Canyon-Upper Pennsylvanian Gas Pool. The units are to be dedicated to its Filaree "24" Federal Com Well No. 2 to be drilled at a standard location 1300 feet from the South line and 750 feet from the East line of Section 24 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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 risk involved in drilling the well. The area is located approximately 6 miles west of Carlsbad, New Mexico.

CASE 12519:

Application of Matador Petroleum Corporation for compulsory pooling, Let County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the E/2 which includes but is not necessarily limited to the Wilson-Morrow Gas Pool, in all formations developed on 160-acre spacing in the S/3/4 which includes but is not necessarily limited to the Undesignated West Osudo-Morrow Gas Pool, in all formations developed on 80-acre spacing in the S/2 SE/4, and in all formations developed on 40-acre spacing in the SW/4 SE/4 which includes but is not necessarily limited to the Wilson-Strawn Pool, all in Section 12, Township 21 South, Range 34 East. The unit is to be dedicated to its Mary State Com Well No. 1 to be drilled at a standard location 660 feet from the South line and 1980 feet from the East line of Section 12 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. Also to be considered will be the cost of drilling and completing the v/ell 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 the well. The area is located approximately 17 miles west/northwest of Eunice, New Mexico.

<u>¢ase 12520</u>:

Application of BP Amoco for establishment of a downhole commingling reference case and pre-approval of downhole commingling for formations and pools in the Gallegos Canyon Unit pursuant to Division Rule 303.C (4) and the adoption of special administrative rules therefor, San Juan County, New Mexico. Applicant, in accordance with Rule 303.C(4), seeks to establish a downhole commingling reference case to provide for (a) compatibility criteria, (b) pressure criteria, (c) cross-flow criteria, (d) prorationing criteria, (e) value criteria, and (f) a modification of notification rules on an area-wide basis authorization for downhole commingling of Fruitland Coal, Pictured Cliffs, Gallup, and Dakota gas production in the wellbores of existing or future wells drilled anywhere within the Gallegos Canyon Unit Area located in Townships 27, 28 and 29 North, Ranges 11, 12 and 13 West. The center of the area is located approximately 5 miles southeast of Farmington, New Mexico.

**CASE 12320**:

Continued from October 5, 2000, 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 seels 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 V/, 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

# Examiner Hearing – October 19, 2000 Docket No. 29-00 Page 5 of 10

## <u>CASE 12441</u>: Continued from October 5, 2000, Examiner Hearing.

Application of LG&E Natural Pipeline LLC for special rules for the Grama Ridge Morrow Gas Storage Unit, Lea County, New Mexico. Applicant seeks an order establishing special rules applicable to wells drilled and completed or recompleted in the Morrow formation within its Grama Ridge Morrow Gas Storage Unit and within each 320-acre spacing unit immediately adjacent to the Unit in the following described area:

#### Grama Ridge Morrow Gas Storage Agreement

Township 21 South, Range 34 East

Section 33: All

Section 34: All

### Township 22 South, Range 34 East

Section 3: All

Section 4: All

Section 10: All

#### Acreage Adjacent to Unit

Township 21 South, Range 34 East

Section 26: NW/4, S/2

Section 27:All

Section 28: All

Section 29: E/2, SW/4

Section 32: All

Section 35: All

### Township 22 South, Range 34 East

Section 2: All

Section 5: All

Section 8: N/2, SE/4

Section 9: All

Section 11: All

Section 14: N/2, SW/4

Section 15: All

Section 16: N/2, SE/4

The application requests the Division establish rules requiring operators of all newly drilled or recompleted wells in the Morrow formation to provide the operator of the Unit with information and data obtained during drilling, completion, and production to determine whether such wells are in communication with the unitized formation or would otherwise interfere with Unit operations. The special project rules would also include provisions requiring the operators of wells determined to be in communication with the Unitized Interval to demonstrate how such well may be produced without interfering with Unit operations or to take such other action determined to be appropriate. The Grama Ridge Morrow Gas Storage Unit is approximately 18 miles west of Eunice, New Mexico.

#### CASE 12500: Continued from October 5, 2000, Examiner Hearing.

Application of Southwestern Energy Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described acreage in Section 31, Township 17 South, Range 28 East, and in the following manner: The N/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 Southeast Logan Draw-Atoka Gas Pool and Undesignated North Illinois Camp-Morrow Gas Pool; the NE/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 the Undesignated Logan Draw-Wolfcamp Gas Pool; and the NE/4 NE/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 Logan Draw-Wolfcamp Pool. The units are to be dedicated to applicant's Big Bluff "31" State Com. Well No. 1, to be drilled at an orthodox location 660 feet from the North and East lines of Section 31. 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 11½ miles southeast of Artesia, New Mexico.

## <u>CASE 12502</u>: Continued from October 5, 2000, Examiner Hearing.

In the matter of the hearing called by the New Mexico Oil Conservation Division on its own motion to amend Division Order No. R-5878, as amended. The Division seeks to further amend its "Special Rules for Applications for Wellhead Price Ceiling Category Determinations", as promulgated by Division Order No. R-5878, as amended, as necessary in order to comply with the Federal Energy Regulatory Commission's Order No. 616, which reinstates wellhead determination procedures for Section 107 gas that qualifies for a federal tax credit

# Examiner Hearing – October 19, 2000 Docket No. 29-00 Page 6 of 10

<u>CASE 12521</u>: In the matter of the hearing of the Oil Conservation Division for an order creating, assigning a discovery allowable, contracting vertical limits, and extending horizontal limits of certain pools in Lea and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Queen production and designated as the Anderson Ranch-Queen Pool.

The discovery well is the Texaco Exploration and Production Inc. Green Star 14 State Well No. 1 located in Unit N of Section 14, Township 16 South,
Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM

Section 14: SW/4

(b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production and designated as the Southeast Dean-Wolfcamp Pool. The discovery well is the Chesapeake Operating Inc. B Medlin 10 Well No. 1 located in Unit E of Section 10, Township 16 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 10: NW/4

(c) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production and designated as the Northeast Echol-Wolfcamp Pool. The discovery well is the Manzano Oil Corporation SV Sundown State Well No. 1 located in Unit M of Section 14, Township 10 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 37 EAST, NMPM

Section 14: SW/4

CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the Eight Mile Draw-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Carper McAlester ATE State Well No. 1 located in Unit C of Section 25, Township 11 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM

Section 25: N/2

CREATE a new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production and designated as the Klein Ranch-Wolfcamp Pool.

The discovery well is the Louis Dreyfus Natural Gas Corporation Toro 27 Well No. 2 locate 1 in Unit E of Section 27, Township 19 South, Range 35

East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM

Section 27: W/2

CREATE a new pool in Lea County, New Mexico classified as an oil pool for Drinkard production and designated as the Northeast Monument-Drinkard Pool. The discovery well is the Chevron USA, Inc. 13 State Well No. 27 located in Unit B of Section 13, Township 19 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM

Section 13: NE/4

(g)

(h)

CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the South Quail Ridge-Atoka Gas Pool. The discovery well is the Louis Dreyfus Natural Gas Corporation Greenstone Federal Con Well No. 1 located in Unit O of Section 19, Township 20 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 19: E/2

CREATE a new pool in Lea County, New Mexico classified as an oil pool for Delaware production and designated as the Southeast Teas-Delaware Pool. The discovery well is the Santa Fe Snyder Corporation Sinagua 18 Federal Well No. 2 located in Unit J of Section 18, Township 20 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 34 EAST, NMPM

Section 18: SE/4

# Examiner Hearing – October 19, 2000 Docket No. 29-00 Page 7 of 10

(i) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Blinebry production and designated as the Northeast Vacuum-Blinebry Pool. The discovery well is the Southwestern Energy Production Company Bimini 13 State Well No. 1 located in Unit E of Section 13, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

## TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 13: NW/4

Further, ASSIGN a discovery allowable of 34,835 barrels of oil to the discovery well to be produced over a two-year period.

(j) EXTEND the Southwest Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico to include:

#### TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM

Section 10: S/2 NW/4

(k) EXTEND the Austin-Permo Upper Pennsylvanian Pool in Lea County, New Mexico to include:

## TOWNSHIP 14 SOUTH, RANGE 36 EAST, NMPM

Section 17: W/2 Section 18: SE/4 Section 19: NE/4

(l) EXTEND the Baish-Wolfcamp Pool in Lea County, New Mexico to include:

#### **TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM**

Section 16: S/2 Section 17: SE/4

(m) EXTEND the Bluitt-San Andres Associated Pool in Roosevelt County, New Mexico to include:

## **TOWNSHIP 8 SOUTH, RANGE 37 EAST, NMPM**

Section 16: NE/4

(n) EXTEND the DK-Abo Pool in Lea County, New Mexico to include:

### TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 36: SE/4

(o) EXTEND the Diamond-Strawn Pool in Lea County, New Mexico to include:

### TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 16: SE/4

(p) EXTEND the Southwest Diamondtail-Delaware Pool in Lea County, New Mexico to include:

## TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 16: N/2 Section 17: NE/4

- (q) CONTRACT the vertical limits of the Eight Mile Draw-Permo Pennsylvanian Pool in Lea County, New Mexico to include only the Wolfcamp, Cisco, Canyon and Strawn formations and redesignate the pool as the Eight Mile Draw-Permo Upper Pennsylvanian Pool.
- (r) EXTEND the Eumont-Yates-Seven Rivers-Queen Pool in Lea County, New Mexico to include:

### TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 14: SW/4 Section 15: E/2

(s) EXTEND the Feather-Morrow Pool in Lea County, New Mexico to include:

### **TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM**

Section 21: SW/4 Section 28: NW/4 Section 29: NE/4

# Examiner Hearing – October 19, 2000 Docket No. 29-00 Page 8 of 10

(t) EXTEND the North Gem-Wolfcamp Pool in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM

Section 16: SW/4
Section 17: SE/4
Section 21: NW/4

(u) EXTEND the Goodwin-Drinkard Pool in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 31: W/2

TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM

Section 6: NW/4

(v)

(w)

(k)

(z)

(aa)

(bb)

(cd)

(dd)

EXTEND the North Hardy-Strawn Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 31: SW/4

EXTEND the House-Abo Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 11: S/2 Section 14: NW/4

(\*) EXTEND the House-Blinebry Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 1: SE/4

EXTEND the Humble City-Strawn Pool in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 15: SW/4

EXTEND the South Kemnitz-Atoka-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM

Section 21: S/2 Section 28: N/2

EXTEND the Southeast Lane-Abo Pool in Lea County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 9: SE/4

EXTEND the Lea-San Andres Pool in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 24: SW/4

EXTEND the Lovington-Drinkard Pool in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM

Section 2: SE/4

CONTRACT the vertical limits of the Northeast Lovington-Pennsylvanian Pool in Lea County, New Mexico to include only the Cisco, Canyon and Strawn formations and redesignate the pool as the Northeast Lovington-Upper Pennsylvanian Pool.

## Examiner Hearing – October 19, 2000 Docket No. 29-00 Page 9 of 10

EXTEND the Northeast Lovington-Upper Pennsylvanian Pool in Lea County, New Mexico to include: (ee) TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM Section 1: Lots 11, 12, 13, and 14 (ff) EXTEND the West Lovington-Strawn Pool in Lea County, New Mexico to include: **TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM** Section 33: NW/4 (gg) EXTEND the Lusk-Bone Spring Pool in Lea County, New Mexico to include: TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM Section 18: S/2 (hh) EXTEND the North Monument-Abo Pool in Lea County, New Mexico to include: TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM Section 11: SE/4 (ii) EXTEND the North Monument-Drinkard Gas Pool in Lea County, New Mexico to include: TOWNSHIP 19 SOUTH, RANGE 36 EAST, NMPM Section 12: SW/4 Section 13: SW/4 (ii) EXTEND the Nadine-Drinkard-Abo Pool in Lea County, New Mexico to include: **TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM** Section 24: S/2 (kk) EXTEND the West Nadine-Paddock-Blinebry Pool in Lea County, New Mexico to include: TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM Section 17: NW/4 (II) EXTEND the West Ojo Chiso-Morrow Gas Pool in Lea County, New Mexico to include: **TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM** Section 30: E/2 EXTEND the Southeast Scharb-Wolfcamp Pool in Lea County, New Mexico to include: (mm) TOWNSHIP 19 SOUTH, RANGE 35 EAST, NMPM Section 22: NW/4 EXTEND the North Shoe Bar-Atoka Gas Pool in Lea County, New Mexico to include: (nn) **TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM** Section 15: E/2 EXTEND the North Shoe Bar-Morrow Gas Pool in Lea County, New Mexico to include: (00)TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM Section 2: Lots 9, 10, 15, 16 and SE/4 Section 3: Lots 9, 10, 11, 12, 13, 14, 15, 16 and S/2

EXTEND the Northeast Shoe Bar-Strawn Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 8: S/2 SE/4
Section 16: NW/4
Section 17: N/2 NE/4

(pp)

(qq) EXTEND the Northwest Shoe Bar-Strawn Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 10: SE/4 Section 11: SW/4 Section 14: NW/4

(m) EXTEND the Townsend-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 8: N/2

EXTEND the Trinity-Devonian Pool in Lea County, New Mexico, to include: (ss)

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM

Section 22: SE/4 Section 27: N/2

(tt) EXTEND the Triste Draw-Delaware Pool in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 27: SE/4

(uu)

(yy)

(aaa)

EXTEND the North Vacuum-Atoka-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 5: N/2 and SE/4

(vv) EXTEND the Vacuum-Blinebry Pool in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM

Section 1: NW/4

(ww) EXTEND the Vacuum-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 30: SW/4

CONTRACT the vertical limits of the Northwest Vacuum-Pennsylvanian Pool in Lea County, New Mexico to include only the Cisco, Canyon and

Strawn formations and redesignate the pool as the Northwest Vacuum-Upper Pennsylvanian Pool.

EXTEND the Northwest Vacuum-Upper Pennsylvanian Pool in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM

Section 5: W/2

EXTEND the Weir-Blinebry Pool in Lea County, New Mexico to include: (zz)

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 16: SE/4

EXTEND the Wilson-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 12: W/2

(bbb) EXTEND the North Young-Delaware Pool in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 17: W/2

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.