

CASE 13144: Continued from January 8, 2004, Examiner Hearing.

Application of Permian Resources, Inc. for Special Pool Rules or, alternatively, for an Unorthodox Well Location, Lea County, New Mexico. Applicant seeks an order amending the special pool rules and regulations for the North Shoe Bar-Strawn pool to provide for (a) the creation of 80-acre units, (b) authorizing well locations no closer than 330 feet to any quarter-quarter section or subdivision inner-boundary or closer than 1020 feet to the nearest well drilling or capable of drilling or producing from the same pool, and (c) administrative approvals of exceptions to the well location requirements under the amended rule. The North Shoe Bar-Strawn pool is comprised of the following acreage located in Township 16 South, Range 35 East: Section 13: N/2, SW/4; Section 14: E/2. Alternatively, Applicant seeks authorization for an unorthodox location for its Hillburn Well No. 3 to be drilled to the Strawn formation at a bottom hole location 990 feet from the North line and 330 feet from the West line of Section 13, Township 16 South, Range 35 East, which is located approximately two miles south of Lovington, New Mexico.

CASE 13214: In the matter of the hearing called by the Oil Conservation Division for an order extending certain pools in Chaves and Eddy Counties, New Mexico.

(a) EXTEND the East Burton Flat-Morrow Gas Pool (Pool Code 73320) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 30 EAST, NMPM

Section 7: SW/4

Section 18: W/2

(b) EXTEND the East Carlsbad-Morrow Gas Pool (Pool Code 73920) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 19: W/2

(c) EXTEND the East Cedar Lake-Morrow Gas Pool (Pool Code 74605) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 36: E/2

(d) EXTEND the Crockett Draw-Wolfcamp Gas Pool (Pool Code 97282) in Chaves County, New Mexico to include:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM

Section 15: E/2

Section 22: S/2 and NE/4

(e) EXTEND the Crow Flats-Morrow Gas Pool (Pool Code 75720) in Eddy County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM

Section 28: N/2

(f) EXTEND the Esperanza-Delaware Pool (Pool Code 22640) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 10: NW/4 NW/4 and S/2 NW/4

(g) EXTEND the Foor Ranch-Pre-Permian Gas Pool (Pool Code 76730) in Chaves County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 2: All