

DOCKET: EXAMINER HEARING - THURSDAY - JULY 22, 2004

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 21-04 and 22-04 are tentatively set for August 5, 2004 and August 19, 2004. 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 13295: *Continued from July 8, 200, Examiner Hearing*

Application of Preston Exploration, L.L.C. for Compulsory Pooling, Eddy County New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation, (undesignated POW-Morrow Pool) underlying the N/2 of Section 32, Township 16 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 that vertical extent. The unit is to be dedicated to applicant's San Remo 32 Com No. 1 Well to be located at a standard gas well location 1980 feet from the North line and 2130 feet from the West line of said 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 200% charge for the risk involved in drilling and completing the well. The unit is to be located approximately 2 miles northwest of Artesia, New Mexico.

CASE 13302: *Application of HEC Petroleum, Inc. for Compulsory Pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Pennsylvanian formation underlying the E/2 of Section 7, Township 22 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320 acres within that vertical extent, which includes but is not necessarily limited to the Carlsbad Morrow Gas Pool. Said unit is to be dedicated to applicant's proposed Douglas Com. Well No. 2 to be drilled at a standard bottomhole gas well location in the SE/4 (Unit P) of said Section 7, at a point 990 feet from the North line and 990 feet from the West line to a depth sufficient to test the Morrow formation. Also to be considered will be the cost of drilling and completing said 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 said well. Said area is located approximately 1 mile south of Carlsbad, New Mexico.

CASE 13303: *Application of Pure Resources, L.P. for Compulsory Pooling, Lea County, New Mexico.* Applicant seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Pennsylvanian formation underlying the W/2 of Section 24, Township 26 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320 acres within that vertical extent. Said unit is to be dedicated to applicant's proposed Madera "24" Federal Well No. 1 to be drilled as a wildcat gas well at a standard location in the SW/4 (Unit M) of said Section 24, at a point 1310 feet from the South line and 1310 feet from the West line to a depth sufficient to test the Morrow formation. Also to be considered will be the cost of drilling and completing said 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 said well. Said area is located approximately 18 miles southwest of Jal, New Mexico.

CASE 13304: *Application of JTD Resources, LLC for Compulsory Pooling, Lea County, New Mexico.* Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Abo formation in the NE/4 NW/4 of Section 13, Township 20 South, Range 38 East, for all formations and/or pools developed on 40-acre spacing, which includes but is not necessarily limited to the Undesignated D-K-Abo Pool and the House-Tubb Pool. Said unit is to be dedicated to its Big Kick Well No. 1 to be drilled at a standard location 330 feet from the North line and 1650 feet from the West line of said Section 13 and drilled to a depth sufficient to test all formations from the surface to the base of the Abo formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, provisions governing subsequent operations on the pooled units, designation of Capataz Operating, Inc., contract operator for applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles south of Nadine, New Mexico.