

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 19, 2003

8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 20-03 and 22-03 are tentatively set for July 10, 2003 and July 24, 2003. 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 13084: Application of Xeric Oil & Gas Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in accordance with Division Rule 1207.A(1)(b), seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NE/4 NE/4 of Section 19, Township 20 South, Range 39 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools spaced on 40-acre spacing, including but not limited to the DK-Abo, DK-Drinkard, West DK-Abo, West Warren-Abo, and West Warren-Drinkard Pools. Said unit is to be dedicated to its Duncan Well No. 1 to be drilled and completed at a standard well location in Unit A of this section. Also to be considered will be the costs of drilling and completing said 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 5 miles southeast of Nadine, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 13085: Application of EGL Resources, Inc. and Robert Landreth for Pool Extension and Expansion of Gas Spacing and Proration Unit, Lea County, New Mexico. Applicants seek an order extending the pool boundaries of the North Bell Lake-Devonian Gas Pool (71840) to include Sections 4 and 5, Township 23 South, Range 34 East, and concurrently expanding the 320-acre gas spacing and proration unit created by Order No. R-11962 presently consisting of the N/2 of said Section 4 to include the entirety of said Section 4 to form a 640-acre spacing and proration unit from the base of the Morrow formation to the base of the Devonian formation which will be dedicated to the Rio Blanco 4 Federal Well No. 1 (API No. 30-025-34515) located at a standard location 1980 feet from the North and West lines (Unit F) of Section 4. Applicants propose to re-enter the Rio Blanco 4 Federal Well No. 1 presently drilled to the Morrow formation and deepen the well by way of a side-track to the Devonian formation.

CASE 13086: Application of Bass Enterprises Production Co. for compulsory pooling and approval of a non-standard gas spacing and proration unit, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 1-4 and the E/2 W/2 (the W/2) of Section 30, Township 21 South, Range 28 East, to form a non-standard 313.12-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated East Carlsbad-Strawn Gas Pool, Undesignated West Indian Flat-Atoka Gas Pool, and Undesignated East Carlsbad-Morrow Gas Pool. The unit is to be dedicated to applicant's Big Eddy Unit Well No. 144, to be located at an orthodox well location in Lot 1 of Section 30. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles northeast of Carlsbad, New Mexico.

CASE 13087: Application of Ocean Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Lower Mississippian Lime formation underlying the following described acreage in Section 27, Township 16 South, Range 35 East, 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 Shoe Bar-Atoka Gas Pool, Undesignated South Shoe Bar-Morrow Gas Pool, Undesignated Townsend-Morrow Gas Pool, and Undesignated Townsend-Mississippian Gas Pool; and 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 that vertical extent. The units are to be dedicated to applicant's Eidson Ranch "27" State Com. Well No. 1, to be drilled at an orthodox location in the NW/4 NW/4 of Section 27. 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 6½ miles southwest of Lovington, New Mexico.

CASE 13088: Application of Ricks Exploration Inc. 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 NW/4 NW/4 of Section 26, Township 12 South, Range 38 East, 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 the Undesignated Trinity-Wolfcamp Pool. The unit is to be dedicated to the Burrus 26 Well No. 1, to be drilled at an orthodox oil well location in the NW/4 NW/4 of Section 26. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 14 miles east of Tatum, New Mexico.

CASE 13089: Application of Mewbourne Oil Company 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 W/2 of Section 9, Township 21 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated Alacran Hills-Wolfcamp Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, Undesignated Burton Flat-Atoka Gas Pool, and Undesignated Burton Flat-Morrow Gas Pool. The unit is to be dedicated to applicant's Foster Draw "9" State Com. Well No. 1, to be drilled at an orthodox location in the SW/4 of Section 9. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 5½ miles north-northeast of Carlsbad, New Mexico.

CASE 13090: Application of Devon Energy Production Company, L. P. for an exception to the well density provisions of the special rules governing the Blanco-Mesaverde Pool, San Juan County, New Mexico. The applicant in this matter proposes to drill its NEBU Well No. 105-B 1005 feet from the South line and 830 feet from the East line (Unit P) of Section 24, Township 30 North, Range 8 West, as a second infill Mesaverde gas well within an existing standard 320-acre stand-up gas spacing and proration unit comprising the E/2 of Section 24, which is located in San Juan County one mile west of the Navajo Reservoir Dam. The eastern boundary of this 320-acre unit abuts the San Juan/Rio Arriba county line. Applicant is seeking an exception to Rule I.B (1) (b) of the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by Division Orders No. R-10987-A and R-10987-A (1), in order to drill and complete this well within the same quarter-quarter section (SE/4 SE/4 of Section 24) as its existing NEBU Well No. 105-A (API No. 30-045-22044), located at a standard infill gas well location 1010 feet from the South line and 920 feet from the East line (Unit P) of Section 24.

CASE 13040: Continued from May 22, 2003, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for Approval of a Waterflood Project for its East Hobbs-Blinebry Pool Cooperative Waterflood Area and Qualification of said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil-Recovery Act, Lea County, New Mexico. Applicant seeks approval of its East Hobbs-Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry