

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 6, 2005

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

Santa Fe, New Mexico

Docket Nos. 33-05 and 34-05 are tentatively set for October 20, 2005 and November 3, 2005. Applications for hearing must be filed at least 23 days in advance of hearing date. OCD Rule 1208.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Friday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Friday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

CASE 13289: Reopened

In the matter of Case 13289 being reopened pursuant to the provisions of Division Order No. R-12203, which order promulgated temporary special pool rules for the Southeast Hat Mesa-Delaware Pool in Lea County, New Mexico, including provisions for 160-acre spacing units and designated well locations. Operators in the Southeast Hat Mesa-Delaware Pool shall appear and present evidence to show cause why the temporary special pool rules established by this order should not be rescinded.

CASE 13522: Reopened

Application of Latigo Petroleum, 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 Lots 3-6 and 11-14 of Section 6, Township 16 South, Range 35 East, and in the following manner: Lots 3-6 and 11-14 to form a standard 321.03-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Townsend-Atoka Gas Pool and Undesignated North Eidson-Morrow Gas Pool; Lots 3-6 to form a non-standard 164.51-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and Lot 6 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Townsend-Permo Upper Pennsylvanian Pool. The units are to be designated to the DeGas "6" State Com. Well No. 2, to be located at a previously approved unorthodox gas well location in Lot 6 of Section 6. 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 located approximately 9 miles west-northwest of Lovington, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 13565: Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying the E/2 of Section 7, Township 19 South, Range 26 East, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated West Four Mile Draw-Strawn Gas Pool and West Four Mile Draw-Morrow Gas Pool. The unit is to be dedicated to the Bermuda Well No. 1, to be drilled at an orthodox gas well location in the NE/4 NE/4 of Section 7. 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 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 4 miles northwest of Lakewood, New Mexico.

CASE 13566: Application of Unit Petroleum 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 E/2 of Section 1, Township 18 South, Range 26 East, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320 acre spacing within that vertical extent, including the Atoka-Pennsylvanian Gas Pool; and the SE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Monte Carlo Fed. Com. Well No. 1, to be drilled from a surface location in the SE/4 NE/4 of Section 1 to a bottomhole location approximately 1845 feet from the north line and 1487 feet from the east line of Section 1. 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 located approximately 6 miles east-northeast of Atoka, New Mexico.