

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 18, 2003

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

Docket Nos. 32-03 and 33-03 are tentatively set for October 9, 2003 and October 23, 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 13144: 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 13145: Application of Yates Petroleum Corporation for Approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Mandrell State Exploratory Unit for an area comprising 1920.00 acres of State of New Mexico lands in Sections 18, 19, and 30, Township 14 South, Range 35 East, that is located approximately 10 miles north of Lovington, New Mexico.

CASE 13146: Application of EOG Resources, Inc. for Compulsory Pooling and a Non-Standard Gas Spacing Unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests below the base of the Strawn formation underlying Lots 3, 4, 5, 6, 11, 12, 13 and 14 of Section 1, Township 16 South, Range 35 East, to form a 342.06-acre non-standard gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Shoe Bar Atoka-Gas Pool. Applicant proposes to dedicate these pooled units to its Giant Stone Fly "1" Well No. 1 that was drilled at a surface location 2264 feet from the North line and 1018 feet from the West line to test the Morrow formation. The well has been recompleted in the Atoka formation 2304 feet from the North line and 947 feet from the West line (Unit E) of said Section 1. 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 4 miles northwest of Lovington, New Mexico.

CASE 13135: Continued from August 21, 2003 Examiner Hearing.

Application of Mack Energy Corporation for approval of a Unit Agreement, Eddy County, New Mexico. Applicant seeks approval of the Aoudad State Unit for an area comprising 320.00 acres of State of New Mexico lands in Section 36, Township 17 South, Range 31 East, which is located approximately 5 miles southwest of Maljamar, New Mexico.

CASE 13136: Readvertised

Application of Mack Energy Corporation for approval of a Pressure Maintenance Project and Qualification of the Project Area for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act, Eddy County, New Mexico. Applicant seeks approval of its Aoudad State Unit Pressure Maintenance Project by injection of water into the Grayburg-San Andres formations through one injection well located in the following described area:

**TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 36: All**

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said pressure maintenance operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said area is located approximately 5 miles southwest of Maljamar, New Mexico.