

**CASE 13220:** Application of Mack Energy Corporation for approval of a salt water disposal well, Lea County, New Mexico. Applicant seeks approval to utilize its Federal 18 Well No. 2 (API No. 30-025-01669) located 1980 feet from the North line and 2039 feet from the West line (Unit F) of Section 18, Township 19 South, Range 33 East, to dispose of produced water into the Yates and San Andres formations from a depth of 3213 feet to 3256 feet. This well is located approximately 15 miles southeast of Loco Hills, New Mexico.

**CASE 13205:** Continued from February 5, 2004, Examiner Hearing.  
Application of Saga Petroleum, L.L.C. for an unorthodox infill gas well location and an exception to Division Rule 104.D (3), Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.D (3) in order to simultaneously dedicate production attributed to the Hobbs-Tubb Gas Pool (96946) within an existing 160-acre standard shallow gas spacing unit comprising the SE/4 of Section 33, Township 18 South, Range 38 East, from the following two wells: (i) Conoco State Well No. 3 (API No. 30-025-35961), located at an unorthodox gas well location 2110 feet from the South line and 2055 feet from the East line (Unit J) of Section 33 (*approved by Division Administrative Order NSL-4866, dated April 23, 2003*); and (ii) Conoco State Well No. 4 (API No. 30-025-24005), located at an unorthodox infill gas well location 688 feet from the South line and 2111 feet from the East line (Unit O) of Section 33. This 160-acre unit is located within the city limits of Hobbs with its southeast corner corresponding to the intersection of Marland Boulevard and Grimes Street.

**CASE 13221:** Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Atoka Bank State Exploratory Unit for an area comprising 1280.00 acres of State of New Mexico lands in Sections 8 and 17, Township 24 South, Range 33 East, which is located approximately 40 miles east of the Eddy/Lea county line on Highway 128.

**CASE 13222:** Application of Yates Petroleum Corporation for pool creation and the adoption of special pool rules, Eddy County, New Mexico. Applicant seeks creation of a new pool comprised of the N/2 of Section 36, Township 21 South, Range 21 East, as a result of the discovery of hydrocarbons in the Abo formation in its Duvel "BCD" State Com Well No. 1 located 710 feet from the North line and 1980 feet from the West line of Section 36. Applicant also seeks the adoption of Special Pool Rules and Regulations for the pool including provisions for 320-acre gas spacing and proration units. This pool is located approximately 26 miles south of Hope, New Mexico.

**CASE 13223:** Application of Yates Petroleum Corporation for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of its proposed Merle State Exploratory Unit for an area comprising 7,360 acres, more or less, of State of New Mexico lands situated in Sections 1, 11-14, and 23-25 of Township 10 South, Range 34 East and Sections 6, 7, 18 and 19 of Township 10 South, Range 35 East. Said area is located approximately 5 miles southwest of Crossroads, New Mexico.

**CASE 13144:** Continued from February 5, 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 13224:** Application of Burlington Resources Oil & Gas Company LP for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 9, Township 29 North, Range 7 West, forming a standard 320-acre gas spacing and proration unit for the Mesaverde and Dakota formations spaced on 320-acre spacing. This unit is to be dedicated to its San Juan Unit Wells Nos. 80B and 80M to be drilled and completed at standard well locations as downhole commingled wellbores for production from the Dakota and Mesaverde formations in Unit E and M of this section. Also to be considered will be the costs of drilling and completing said wells 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, pursuant to Commission Order R-11992, a 200% charge for the risk involved in this well. This unit is located approximately 1/2 mile west of Gobernador, New Mexico.