

CASE 12736: Continued from October 18, 2001, Examiner Hearing.

Application of KUKUI Operating Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an exception to Division Rule 104.C (2) for its proposed Goodnight "35" Federal Well No. 3 (API No. 30-015-31865) to be drilled at an unorthodox gas well location 440 feet from the South line and 660 feet from the West line (Unit M) of Section 35, Township 23 South, Range 29 East. The S/2 of Section 35 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Wolfcamp (Laguna Grande-Wolfcamp Gas Pool), Strawn, Atoka, and Morrow formations. This unit is located approximately 8.5 miles east by south of Loving, New Mexico.

CASE 12761: Application of Yates Petroleum Corporation for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Mocha State Unit for an area comprising 2880 acres, more or less, of state lands in Sections 33, 34 and 35, Township 12 South, Range 34 East, and Sections 2 and 11, Township 13 South, Range 34 East, which is located approximately 9.5 miles southwest of Tatum, New Mexico.

CASE 12762: Application of Paladin Energy Corp. for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Paladin Wolfcamp Exploratory Unit for an area comprising 80 acres, more or less, of state and fee lands in Sections 35 and 36, Township 13 South, Range 37 East, which is located approximately 9 miles east of McDonald, New Mexico.

CASE 12763: Application of Paladin Energy Corp. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox well location in the Wolfcamp formation, King-Wolfcamp Pool, for its State "C" Well No. 1 to be re-entered and recompleted at an unorthodox well location 1550 feet from the North line and 10 feet from the West line of Section 36, Township 13 South, Range 37 East. Said well is located approximately 9 miles east of McDonald, New Mexico.

CASE 12764: Application of Discovery Exploration for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Lowe Exploratory Unit for an area comprising 80 acres of fee lands in Sections 28 and 29, Township 12 South, Range 38 East, which is located approximately 11 miles east of Tatum, New Mexico.

CASE 12765: Application of Discovery Exploration for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location in the Devonian formation, Trinity-Devonian Pool, for its Lowe Well No. 1 to be drilled at an unorthodox gas well location 2300 feet from the South line and 100 feet from the East line of Section 29, Township 12 South, Range 38 East. Said well is located approximately 11 miles east of Tatum, New Mexico.

CASE 12179: (Reopened) Continued from October 18, 2001, Examiner Hearing.

In the matter of Case 12179 being reopened pursuant to the provisions of Division Order No. R-11208, which order promulgated temporary special pool rules for the East Hobbs-San Andres Pool in Lea County, New Mexico. Operators in the East Hobbs-San Andres Pool should be prepared to appear and show cause why the top oil allowable rate of 160 barrels of oil per day for the pool should not be rescinded.

CASE 12766: Application of Primero Operating, Inc. for approval of a unit agreement, Socorro County, New Mexico. Applicant seeks approval of the Cat Head Mesa Unit, a voluntary exploratory unit for an area

DOCKET: EXAMINER HEARING - THURSDAY – NOVEMBER 15, 2001

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

Docket Nos. 38-01 and 39-01 are tentatively set for December 6, 2001 and December 20, 2001. 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 12753: Continued from November 1, 2001, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W/2 of Section 36, Township 16 South, Range 35 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 South Shoe Bar-Morrow Gas Pool and Undesignated Shoe Bar-Mississippian Gas Pool. The unit is to be dedicated to applicant's Double Hackle Drake "36" State Well No. 1, to be drilled at an orthodox location in the NW/4 NW/4 of Section 36. 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 southwest of Lovington, New Mexico.

CASE 12760: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Grayburg formation to the base of the Morrow formation underlying the E/2 of Section 18, Township 19 South, Range 28 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 West Millman-Wolfcamp Pool, Millman-Strawn Gas Pool, and Undesignated South Millman-Morrow Gas Pool. The unit is to be dedicated to applicant's Remington "18" St. Com. Well No. 1, drilled at an orthodox location in the NW/4 SE/4 of Section 18. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 9 miles southwest of Loco Hills, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT**

CASE 12735: Continued from November 1, 2001, Examiner Hearing.

Application of Louis Dreyfus Natural Gas Corporation 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 following described acreage in Section 4, Township 23 South, Range 26 East, in the following manner: the E/2 to form a standard 320-acre gas spacing unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently includes but is not necessarily limited to the South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing unit for all formations and/or pools developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre spacing unit for all formations and/or pools developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to Applicant's proposed Saragossa 4 Fed Com Well No. 1 to be located at a standard location in Unit I of this section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a charge for risk involved in drilling and completing this well. This unit is located approximately 6 miles southwest of Carlsbad, New Mexico.