

DOCKET: EXAMINER HEARING - THURSDAY – February 22, 2001

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

Dockets Nos. 8-01 and 9-01 are tentatively set for March 8, 2001 and March 22, 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 12579: Continued from February 8, 2001, Examiner Hearing.

Application of Devon Energy Production Company, L.P. 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 22, Township 21 South, Range 26 East, in the following manner: the E/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Avalon-Wolfcamp Gas Pool, Undesignated Avalon-Upper Pennsylvanian Gas Pool, Undesignated Avalon-Strawn Gas Pool, Undesignated Crozier Bluff-Atoka Gas Pool, and Undesignated Avalon-Morrow Gas Pool; and the NE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Carlsbad 22 "H" Fee Com. Well No. 2, located 1350 feet from the North line and 660 feet from the East line (Unit H) of Section 22. Also to be considered will be the cost of re-entering 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 re-entering and completing the well. The units are located approximately 4 miles northwest of Carlsbad, New Mexico.

CASE 12500: (READVERTISED)

Application of Southwestern Energy Production Company for compulsory pooling and two non-standard gas spacing and proration units, 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 following described acreage in Section 31, Township 17 South, Range 28 East, and in the following manner: Lots 1, 2, E/2 NW/4, and NE/4 (the N/2 equivalent) to form a non-standard 327.09-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 Southeast Logan Draw-Atoka Gas Pool and Undesignated North Illinois Camp-Morrow Gas Pool; Lots 1, 2, and E/2 NW/4 (the NW/4 equivalent) to form a non-standard 167.09-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Logan Draw-Wolfcamp Gas Pool; and the SE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated Logan Draw-Wolfcamp Pool. The units are to be dedicated to applicant's Big Bluff "31" State Com. Well No. 1, to be drilled at an orthodox location in the SE/4 NW/4 of Section 31. 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 11½ miles southeast of Artesia, New Mexico.

CASE 12557: Continued from January 25, 2001, Examiner Hearing.

Application of Robert L. Bayless for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Basin-Dakota Pool underlying Lots 1, 2, 3, and 4 and the E/2 W/2 (W/2 equivalent) of

Section 19, Township 26 North, Range 8 West, in order to form a standard 320.04-acre stand-up gas spacing and proration unit for any pool within that vertical extent with special rules providing for development on 320-acre spacing, which presently includes the Undesignated Blanco-Mesaverde and Basin-Dakota Pools. This unit is to be dedicated to a well to be drilled at a standard gas well location thereon. 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 the operator of the well and unit, and a charge for the risk involved in drilling and completing the well. This unit is located approximately 14 miles north of Nageezi, New Mexico.

CASE 12593: **Application of Robert L. Bayless for compulsory pooling, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Dakota Pool underlying Lot 2, the SW/4, the N/2 SE/4, and the SE/4 SE/4 (S/2 equivalent) of Section 10, Township 30 North, Range 11 West, in order to form a standard 318.94-acre lay-down gas spacing and proration unit for any pool within that vertical extent with special rules providing for development on 320-acre spacing, which presently includes the Basin-Fruitland Coal (Gas) Pool, Blanco-Mesaverde Pool, and Basin-Dakota Pool. This unit is to be dedicated to a well to be drilled at a standard gas well location for all three zones within the SE/4 equivalent of Section 10. 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 the operator of the well and unit, and a charge for the risk involved in drilling and completing the well. This unit is located one mile east of Aztec, New Mexico.

CASE 12594: **Application of Matador Petroleum Corporation for compulsory pooling and an unorthodox subsurface well location, 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 20, Township 22South, Range 23 East, and in the following manner: all of Section 20 to form a standard 640-acre gas spacing and proration unit for any and all formations and/or pools developed on 640-acre gas spacing within this vertical extent including but not limited to the Indian Basin-Upper Pennsylvanian Gas Pool; and the E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within this vertical extent including but not limited to the Indian Basin-Upper Pennsylvanian Associated Pool. The units are to be dedicated to its proposed I. B. Federal Corn Well No. 1 to be drilled commencing at an unorthodox surface well location 660 feet from the North line and 1146 feet from the East line (Unit A) of Section 20 and terminating within an area not closer than 660 feet from the North and East lines (Unit A) of this Section being an unorthodox subsurface location at the top of the Cisco formation at approximately 7700 feet within the Indian Basin-Upper Pennsylvanian Gas Pool. Applicant intends to test all formations from the surface to the base of the Cisco formation. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of this spacing unit and this well and a charge for risk involved in this well. These units are located approximately 23 miles west of Carlsbad, New Mexico.

CASE 12595: **Application of Chesapeake Operating, Inc. for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks approval to drill and produce its proposed Buchanan "5" Well No. 1 at an unorthodox oil well location 2365 feet from the North line and 1641 feet from the East line (Unit G) of Section 5, Township 17 South, Range 37 East, for production from the Strawn formation from the Shipp-Strawn Pool to be dedicated to a standard 80-acre oil spacing and proration unit consisting of the S/2 NE/4 of this section. This location is located approximately 7 miles southeast of Lovington, New Mexico.