

DOCKET: COMMISSION HEARING – TUESDAY – DECEMBER 4, 2001

**9:00 A.M. - OCD Hearing Room
1120 So. St. Francis
Santa Fe, New Mexico**

The Land Commissioner's designee for this hearing will be Jami Bailey.

The minutes of the November 6, 2001, Commission hearing will be adopted.

The Oil Conservation Commission may vote to close the open meeting to deliberate any De Novo cases heard at this hearing.

This Commission may conduct a closed executive session during which it will deliberate in connection with an administrative adjudicatory proceeding heard by the Commission and listed on the present docket, or consult with Commission counsel under the attorney-client privilege concerning threatened or pending litigation in which the Commission is or may become a participant.

Final action will be taken in the following cases:

CASE 12635: De Novo

Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, Rio Arriba County, New Mexico.

CASE 12705: Application of D.J. Simmons, Inc. for Compulsory Pooling, Rio Arriba County, New Mexico.

CASE 12605: DeNovo – Continued from November 6, 2001, Commission Hearing.

Application of Sapient Energy Corporation for special pool rules, Lea County, New Mexico. Applicant seeks the promulgation of special pool rules for the West Monument-Tubb Gas Pool, which currently comprises the E/2 of Section 7, Township 20 South, Range 37 East (located approximately three miles southwest of Monument, New Mexico), including provisions for 80-acre spacing and designated well location requirements. Upon application of Sapient Energy Corporation, Chevron U.S.A. Production Company and Conoco, Inc., this case will be heard De Novo pursuant to the provisions of Division Rule 1220.

CASE 12587: De Novo – Continued from November 6, 2001, Commission Hearing.

Amended application of Sapient Energy Corp for an unorthodox well location and (i) two non-standard 160-acre spacing units, or in the alternative (ii) one non-standard 160-acre spacing and proration unit, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location for its Bertha J. Barber Well No 12 ("Barber 12 Well") which is located at an unorthodox gas well location 330 feet from the North line and 660 feet from the East line of Section 7, Township 20 South, Range 37 East, to be dedicated to a non-standard 160-acre gas proration and spacing unit consisting of either (i) the E/2 E/2 of this section, or in the alternative, (ii) the E/2 NE/4 of Section 7 and the W/2 NW/4 of Section 8 for production from the West Monument-Tubb Gas Pool retroactive to the

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date of first production (September 9, 1999). In addition, should the Division approve a non-standard 160-acre spacing and proration unit consisting of the E/2 E/2 of Section 7, then the applicant seeks the approval of a second non-standard 160-acre proration and spacing unit consisting of the W/2 E/2 of this section. This unit is located approximately 12 miles southwest of Hobbs, New Mexico. Upon application of Sapient Energy Corporation, Chevron U.S.A. Production Company and Conoco, Inc., this case will be heard De Novo pursuant to the provisions of Division Rule 1220.

CASE 12601: De Novo

Application of Bettis, Boyle & Stovall to Reopen Case 12601 and amend Order No. R-11573 to address the appropriate royalty burdens on the proposed well for purposes of the charge for risk involved in drilling said well, Lea County, New Mexico. Applicant seeks an amendment to Order No. R-11573 pooling all mineral interests from the surface to the base of the Bough C formation in the following described spacing and proration units located in Section 30, Township 9 South, Range 33 East: Lots 3 and 4 (W/2 SW/4 equivalent) which includes but is not necessarily limited to the Undesignated Flying "M" - San Andres Pool; and Lot 3 (NW/4 SW/4 equivalent) which includes but is not necessarily limited to the South Flying "M" - Bough Pool. Said units are presently dedicated to a well to be drilled at a standard location in the NW/4 SW/4 of said Section 30 to a depth sufficient to test all formations from the surface to the base of the Bough C formation. To be considered will be the appropriate royalty burdens on the proposed well for purposes of the charge for risk involved in drilling said well. Said area is located approximately 8 miles northeast of Caprock, New Mexico. Upon application of Sun-West Oil and Gas, Inc., this case will be heard De Novo pursuant to the provisions of Division Rule 1220.