

all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Wilson-Morrow Gas Pool and the Undesignated South Wilson- Pennsylvanian Gas Pool; and the SE/4 for all formations and/or pools developed on 160-acre spacing. Said units are to be dedicated to its Side Pocket "14" State Com Well No. 1 to be drilled at a standard location 1980 feet from the South line and 660 feet from the East line of Section 14 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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 Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 20 miles Southeast of Halfway, New Mexico.

CASE 12647: Continued from June 14, 2001, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 8, Township 17 South, Range 37 East as follows: the S/2 NW/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Shipp-Strawn Pool; and the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Midway-Devonian Pool. Said units are to be dedicated to its Midway "8" Well No. 1 to be drilled at an unorthodox Strawn well location 1650 feet from the North line and 990 feet from the West line of said Section 8 to a depth sufficient to test all formations from the surface to the base of the Devonian formation. 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 Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles southeast of Lovington, New Mexico.

CASE 12622: Continued from June 14, 2001, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for two non-standard gas spacing and proration units, Lea County, New Mexico. Applicant seeks an exception to the spacing provisions of Division Rule 104.C (2) to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-Morrow Gas Pool comprising: (i) the NE/4 of Section 34, Township 21 South, Range 34 East, to be dedicated to the Nearburg Producing Company's existing Grama Ridge East "34" State Well No. 1 (API No. 30-025-34948), located at a standard gas well location 1548 feet from the North line and 990 feet from the East line (Unit H) of Section 34; and (ii) the SE/4 of Section 34 to be dedicated to the EOG Resources, Inc. operated Llano "34" State Well No. 1 (API No. 30-025-26318), located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of Section 34. These two wells are located approximately 17 miles west of Eunice, New Mexico.

CASE 12625: Reopened and Readvertised.

Application of Raptor Resources, Inc. for an unorthodox infill gas well location and simultaneous dedication, Lea County, New Mexico. Applicant seeks an exception to the well location requirements provided within the "Special Pool Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, for an unorthodox Jalmat infill gas well location within an existing standard 640-acre spacing and proration unit comprised of Section 11, Township 22 South, Range 36 East, NMPM, which is located approximately 3.5 miles

southwest of Eunice, New Mexico. The applicant's State "A" A/C-2 Well No. 79 is to be drilled at an unorthodox infill gas well location 660 feet from the North and West lines (Unit D) of Section 11. This unit is currently dedicated to Raptor Resources's:

- (A) State "A" A/C-2 Well No. 14 (API No. 30-025-08873), located at an unorthodox location 660 feet from the North and 1980 feet from the East line (Unit B) of Section 11;
- (B) State "A" A/C-2 Well No. 15 (API No. 30-025-08874), located at an unorthodox gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 11;
- (C) State "A" A/C-2 Well No. 18, located at a standard location 1650 feet from the North and East lines (Unit G) of Section 11 which is currently plugged and abandoned;
- (D) State "A" A/C-2 Well No. 36 (API No. 30-025-08878), located at an unorthodox location 660 feet from the South and West lines (Unit M) of Section 11;
- (E) State "A" A/C-2 Well No. 42 (API No. 30-025-08879), located at an unorthodox location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 11;
- (F) State "A" A/C-2 Well No. 62 (API No. 30-025-25542), located at a standard gas well location 1980 feet from the South line and 2310 feet from the West line (Unit K) of Section 11;
- (G) State "A" A/C-2 Well No. 73 (API No. 30-025-30035), located at an unorthodox gas well location 990 feet from the South line and 660 feet from the East line (Unit P) of Section 11; and
- (H) State "A" A/C-2 Well No. 75 (API No. 30-025-34791), located at an unorthodox gas well location 2040 feet from the South line and 660 feet from the West line (Unit L) of Section 11.

Raptor also seeks to drill its proposed State "A" A/C-2 Well No. 80 at a standard location 1980 feet from the North and West lines (Unit F) of said Section 11.

Further, the applicant, pursuant to the rules governing the Jalmat Gas Pool and the stipulated declaratory judgment issued by the First Judicial District Court in Santa Fe County, New Mexico on December 15, 2000, seeks to simultaneously dedicate Jalmat production to this 640-acre unit from all ten of the above-described State "A" A/C Wells No. 14, 15, 18, 36, 42, 62, 73, 75, 79, and 80.

CASE 12682: Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, directional drilling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 30, Township 15 South, Range 35 East: The S/2 for all formations and/or pools developed on 320-acre spacing; the SE/4 for all formations and/or pools developed on 160-acre spacing; and the SE/4 SE/4 (Unit P) for all formations and/or pools developed on 40-acre spacing which presently includes but is not necessarily limited to the Undesignated Townsend-Permo Upper Pennsylvanian Pool and the Undesignated Big Dog-Strawn Pool. Said units are to be dedicated to applicant's proposed John's Hopper Well No. 1 to be directionally drilled in an easterly-southeasterly direction from a surface location 760 feet from the South line and 1700 feet from the East line (Unit O) to a standard bottomhole location 660 feet from the South and East lines (Unit P) of said Section 30 at a depth sufficient to test all formations from the surface to the base of the Mississippian formation. Said drilling program will result in the following unorthodox well locations: An unorthodox location in