

DOCKET: EXAMINER HEARING - THURSDAY – AUGUST 23, 2001

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 29-01 and 30-01 are tentatively set for September 6, 2001 and September 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 12654: Continued from June 28, 2001, Examiner Hearing.

Application of Chi Energy, Inc. 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 9, Township 22 South, Range 25 East, in the following manner: The W/2 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 the Undesignated Revelation-Strawn Gas Pool and Undesignated Revelation-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and the NE/4 SW/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. The units are to be dedicated to applicant's In Bounds Well No. 1, to be drilled at an orthodox location in the NE/4 SW/4 of Section 9. 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 10½ miles west-southwest of Carlsbad, New Mexico.

CASE 12711: **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 E/2 of Section 19, Township 15 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 East Morton-Morrow Gas Pool. The unit is to be dedicated to applicant's Lou's Hopper Well No. 1, to be drilled at an orthodox location in the NW/4 NE/4 of Section 19. 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 7 miles northwest of Lovington, New Mexico.

CASE 12712: **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 18 South, Range 29 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, to be drilled at an orthodox location in the NW/4 SE/4 of Section 18. 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 9 miles southwest of Loco Hills, New Mexico.

CASE 12699: Continued from July 26, 2001, Examiner Hearing.

Application of Ocean Energy Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the E/4 of Section 10, Township 16 South, Range 27 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 North Duffield-Strawn Gas Pool, Diamond Mound-Atoka Gas Pool, and Diamond Mound-Morrow Gas Pool. The unit is to be dedicated to applicant's Cook Fed. Com. 10 Well No. 2, to be drilled at an orthodox location in the SE/4 SE/4 of Section 10. The unit will be simultaneously dedicated, in the Morrow formation, to the proposed well and the existing Cook Fed. Com. 10 Well No. 1, located in the S/2 NE4 of the section. 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 10½ miles northeast of Artesia, New Mexico.

CASE 12713: **Application of Ocean Energy, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Lower Mississippian Lime underlying the following described acreage in Section 17, Township 16 South, Range 35 East, in the following manner: The W/2 of Section 17 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 Townsend-Morrow Gas Pool; and the NW/4 of Section 17 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent. The unit is to be dedicated to applicant's Eidson Ranch State Com. 17 Well No. 1, to be drilled at an orthodox location in the NE/4 NW/4 of Section 17. 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 8 miles west-southwest of Lovington, New Mexico.

CASE 12714: **Application of Southwestern Energy Production Company 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 E/2 of Section 33, Township 17 South, Range 30 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 Loco Hills-Atoka Gas Pool and Undesignated Cedar Hills-Morrow Gas Pool. The unit is to be dedicated to applicant's Big Tank "33" Fed. Com. Well No. 1, to be drilled at an orthodox gas well location in the SE/4 of Section 33. 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 2 miles southwest of Loco Hills, New Mexico.

CASE 12705: Continued from August 9, 2001, Examiner Hearing.

Application of D.J. Simmons, Inc. for Compulsory Pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mesaverde formation in the E/2 of Section 25, Township 25 North, Range 3 West, for all formations and or pools developed on 320-acre spacing, including, but not necessarily limited to, the Mesaverde formation, Blanco-Mesaverde Gas Pool. Said unit is to be dedicated to Applicant's Bishop Federal 25-1 well to