

DOCKET: EXAMINER HEARING - THURSDAY – APRIL 4, 2002

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

Docket Nos. 11-02 and 12-02 are tentatively set for April 18, 2002 and May 2, 2002. 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 12836: Continued from March 21, 2002, Examiner Hearing.

Application of Burlington Resources Oil & Gas Company, L. P. for an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks approval to drill its proposed Quinn Well No. 339-R at an unorthodox gas well (off-pattern) location 770 feet from the North line and 725 feet from the West line (Unit D) of Section 20, Township 31 North, Range 8 West, said location being unorthodox for any and all gas production from the Basin Fruitland Coal Gas Pool and, if productive, to be dedicated to a standard 320-acre gas spacing and proration unit consisting of the W/2 of said Section 20. Said location is located approximately 9 miles north-northwest of the Navajo Dam spillway.

CASE 12816: Continued from March 21, 2002, Examiner Hearing.

Application of TMBR/Sharp Drilling 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 N/2 of Section 25, 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 gas spacing within that vertical extent, including the Townsend-Morrow Gas Pool and the Townsend-Mississippian Gas Pool. This unit is to be dedicated to its Blue Fin "25" Well No. 1 which will be located at a standard location within Unit E of this section. 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 TMBR/Sharp Drilling Inc. as the operator of the well and a charge for risk involved in this well. This unit is located approximately 5-1/2 miles southwest of the center of the City of Lovington, New Mexico.

CASE 12841: Continued from March 21, 2002, Examiner Hearing.

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 Mississippian formation underlying the W/2 of Section 25, 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 Townsend-Morrow Gas Pool. The unit is to be dedicated to applicant's Triple Hackle Dragon 25 Well No. 1, to be drilled at an orthodox location in the SW/4 NW/4 (Unit E) of Section 25. 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, a charge for the risk involved in drilling and completing the well, and the establishment of escrow accounts for the purpose of holding and disbursing funds pending resolution of a title dispute affecting the NW/4 of Section 25. The unit is located approximately 5 miles southwest of Lovington, New Mexico.

CASE 12830: Continued from March 21, 2002, Examiner Hearing.

Application of Southwestern Energy Production Company for compulsory pooling and a non-standard gas spacing and proration unit, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying Lots 1-4 and the E/2 W/2 (the W/2 equivalent) of Section 18, Township 18 South, Range 28 East, to form a

non-standard 334.68-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 North Illinois Camp-Morrow Gas Pool. The unit is to be dedicated to applicant's Leatherstocking "18" State Com. Well No. 1, to be drilled at an orthodox gas well location in Lot 1 (Unit D) 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 10½ miles east-southeast of Atoka, New Mexico.

CASE 12827: Continued from March 7, 2002, Examiner Hearing.

Application of XTO Energy Inc. for approval of surface commingling, San Juan County, New Mexico. Applicant seeks an order, pursuant to Division Rule 303.B, approving surface commingling of Blanco-Mesaverde Gas Pool production from its Armenta Gas Com. C Well No. 1A, located in the N/2 of Section 27, Township 29 North, Range 10 West, with Basin-Fruitland Coal Gas Pool production from its Armenta Gas Com. G Well No. 1, located in the E/2 of Section 27, Township 29 North, Range 10 West. The wells are located approximately 6 miles east of Bloomfield, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12774: This case will be dismissed.

Application of Texaco Exploration and Production Inc. for an exception to Division Rule 104.D (3), Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.D (3) in order to simultaneously dedicate production attributed to the Mid Justis-Abo Gas Pool (96543) within an existing 160-acre standard gas spacing unit comprising the SE/4 of Section 24, Township 25 South, Range 37 East, from the following two wells: (i) A. B. Coats "C" Well No. 9 (API No. 30-025-11731), located at a standard surface gas well location 1980 feet from the South and East lines (Unit J) of Section 24, to be recompleted into the Abo formation by kicking-off within the existing vertical wellbore in a southern direction and directionally drilling to a standard subsurface gas well in Unit "J" of Section 24; and (ii) A. B. Coats "C" Well No. 15 (API No. 30-025-11728), located at a standard surface gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 24 and completed within the Abo formation at a standard subsurface gas well location in Unit "P" of Section 24. This unit is located approximately five miles east of Jal, New Mexico.

CASE 12847: **Application of V-F Petroleum Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 22, Township 20 South, Range 30 East, as follows: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Golden Lane-Strawn Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the NW/4 NW/4 or 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 Undesignated Dos Hermanos Yates-Seven Rivers Pool and the Undesignated P.C.A. (Yates) Pool. Said units are to be dedicated to its Hale Federal Com Well No. 3 to be directionally drilled from an unorthodox surface location 1450 feet from the South line and 660 feet from the West line to a previously approved unorthodox bottom hole location in the Morrow formation 950 feet from the North line and 760 feet from the West line of said Section 22 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, provisions governing subsequent operations on the pooled units, designation of applicant as operator of the well and a charge for risk involved in drilling the well. Said area is located approximately 17 miles South