

CASE 12973: Application of Paladin Energy Corp. for a non-standard oil spacing unit, Lea County, New Mexico. Applicant seeks an exception to the Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool for a 40-acre non-standard oil spacing unit in the Devonian formation comprised of the NW/4 SW/4 of Section 35, Township 11 South, Range 33 East. This non-standard spacing and proration unit is to be dedicated to the State BTC Well No. 3 which Paladin proposed to re-enter at a surface location 1980 feet from the South line and 660 feet from the West line and sidetrack, drill and re-complete in the Devonian formation at a standard bottomhole oil well location 1880 feet from the South line and 660 feet from the West line of said Section 35. Said spacing unit is located approximately 17 miles west of Tatum, New Mexico.

CASE 12967: Continued from November 14, 2002, Examiner Hearing.

Application of BP America Production Company for Surface Commingling, Eddy County, New Mexico. Applicant seeks authority to surface commingle gas production from the Little Box Canyon-Morrow, Indian Loafer Draw-Upper Pennsylvanian, Strychnine Draw-Atoka and Strychnine Draw-Strawn Gas Pools within certain wells it operates located on Federal Leases No. NMNM-93457 and NMNM-25336, which comprise all or portions of Sections 22, 25, 26 and 35, Township 20 South, Range 21 East, and on the Little Box State Lease, located on all or portions of Section 36, Township 20 South, Range 21 East. These wells are located approximately 18 miles south of Hope, New Mexico.

CASE 12968: Continued from November 14, 2002, Examiner Hearing.

Application of BP America Production Company for Surface Commingling, Eddy County, New Mexico. Applicant seeks authority to surface commingle gas production from the Little Box Canyon-Morrow and Indian Loafer Draw-Upper Pennsylvanian Gas Pools within certain wells it operates located on Federal Leases No. NMNM-82831, NMNM-88085, and NMNM-27451 which comprise all or portions of Section 31, Township 20.5 South, Range 22 East, Section 6, Township 21 South, Range 22 East, and Section 1, Township 21 South, Range 21 East, and on the Little Box State and Sweet Thing "36" State Leases, located on all or portions of Section 36, Township 20 South, Range 21 East, and Section 36, Township 20.5 South, Range 21 East. These wells are located approximately 18 miles south of Hope, New Mexico.

CASE 12962: Continued from November 14, 2002, Examiner Hearing.

Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests underlying the W/2 of Section 12, Township 18 South, Range 24 East to form a standard 320-acre stand-up gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently include but are not necessarily limited to the Penasco Draw Permo-Penn Gas Pool. Said unit is to be dedicated to Applicant's proposed Gold Stonefly Fed. Com. "12" No. 1 well to be drilled at a standard 320-acre spacing and proration unit gas well location 665 feet from the South line and 1032 feet from the West line in the SW/4 of said Section 24. 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 applicant or its designee as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 5 miles northwest of Arkansas Junction, New Mexico.

CASE 12974: Application of the New Mexico Oil Conservation Division for an Order Requiring Hulen H. Lemon to Properly Plug one (1) Well, Imposing Civil Penalties in Event of Failure to Comply, Authorizing the Division to Plug Said Well(s) in Default of Compliance by Operator, and Ordering a Forfeiture of Applicable Security, if Any, Lea County, New Mexico. The Applicant seeks an order requiring Hulen H. Lemon, the operator of one (1) inactive well in Lea County, New Mexico, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug

DOCKET: EXAMINER HEARING - THURSDAY – DECEMBER 5, 2002

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

Santa Fe, New Mexico

Docket Nos. 39-02 and 01-03 are tentatively set for December 19, 2002 and January 9, 2003. 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 12970: Application of Ricks Exploration Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the SW/4 NE/4 of Section 22, Township 12 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Trinity-Wolfcamp Pool. The unit is to be dedicated to the State 22 Well No. 2, to be drilled at an orthodox oil well location in the SW/4 NE/4 of Section 22. 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 14 miles east of Tatum, New Mexico.

CASE 12971: Application of Ricks Exploration Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NE/4 NE/4 of Section 27, Township 12 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Trinity-Wolfcamp Pool. The unit is to be dedicated to the Burrus Well No. 8, to be drilled at an orthodox oil well location in the NE/4 NE/4 of Section 27. 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 14 miles east of Tatum, New Mexico.

CASE 12941: Readvertised – Continued from November 14, 2002, Examiner Hearing.

Application of Mewbourne Oil Company for compulsory pooling and approval of a non-standard oil spacing and proration unit 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 Morrow formation underlying the following described acreage in Section 31, Township 20 South, Range 29 East, and in the following manner: Lots 1, 2, E/2 NW/4, and the NE/4 of Section 31 to form a standard 317.10-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent; Lots 1, 2, and the E/2 NW/4 of Section 31 to form a non-standard 157.10-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and Lot 2 of Section 31 to form a non-standard 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 Liberty "31" Fed. St. Com. Well No. 1, to be drilled at an unorthodox well location in Lot 2 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 8 miles north of Carlsbad, New Mexico.

CASE 12972: Application of Paladin Energy Corp. for amendment of the Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool to assign a special depth bracket allowable, Lea County, New Mexico. Applicant seeks the amendment of Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool located in portions of Sections 33 through 36 of Township 11 South, Range 33 East, and Sections 1 through 4, and 10 through 12 of Township 12 South, Range 33 East, to include the assignment of a special depth bracket allowable of 1000 barrels of oil per day for each 80-acre spacing and proration unit in the pool. Said pool is located approximately 17 miles west of Tatum, New Mexico.