

DOCKET: EXAMINER HEARING - THURSDAY - MAY 18, 2000

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 14-00 and 15-00 are tentatively set for June 1 and June 15, 2000. 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 12368: Continued from May 4, 2000, Examiner Hearing.

Application of Harvey E. Yates Company for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 9000 feet subsurface to the base of the Morrow formation underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 5, Township 18 South, Range 31 East, to form a standard 319.96-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated North Shugart-Morrow Gas Pool. The unit is to be dedicated to a well to be drilled at a standard gas well location in the SW/4 of Section 5. 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 risk involved in drilling and completing the well. The unit is located approximately six miles southeast of Loco Hills, New Mexico.

CASE 12407: **Application of Southwestern Energy Production Company for compulsory pooling, Lea 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 18, Township 23 South, Range 34 East, and in the following manner: the E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools spaced on 320-acre spacing within that vertical extent, including but not limited to the Undesignated West Antelope Ridge-Atoka Gas Pool and Undesignated North Bell Lake-Morrow Gas Pool; the NE/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 SE/4 NE/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, including but not limited to the Undesignated North Bell Lake-Delaware Pool and Undesignated North Bell Lake-Bone Spring Pool. The units are to be dedicated to its Paloma Blanco "18" Fed. Com. Well No. 1, to be drilled at a location 1980 feet from the North line and 660 feet from the East line 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 the operator of the well and a charge for risk involved in drilling and completing the well. The units are located approximately 20 miles southwest of Oil Center, New Mexico.

CASE 12384: Continued from May 4, 2000, Examiner Hearing.

Application of Louis Dreyfus Natural Gas for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from a depth of 4,000 feet to the base of the Morrow formation, underlying the following described acreage in Section 34, Township 17 South, Range 28 East, and in the following manner: (a) 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 this vertical extent which presently includes the Empire-Pennsylvanian Gas Pool; (b) the NW/4 to form a standard 160-acre gas spacing and proration unit for all formations developed on 160-acre spacing within said vertical extent; and (c) the SW/4 NW/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 this vertical extent which presently includes the Undesignated Empire-Wolfcamp Pool. These three units are to be dedicated to a single well, the proposed Geronimo "34" State Com. Well No. 1, to be drilled within the SW/4 NW/4 (Unit E) of Section 34 at a location considered to be standard for all three units. 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 the applicant as the operator of the well and units, and a charge for risk involved in drilling the well. The proposed well location is approximately one-quarter mile southwest of the junction of U. S. Highway No. 82 and New Mexico State Road No. 360.

CASE 12399: Continued from May 4, 2000, Examiner Hearing.

Application of EOG Resources, Inc. for approval of a Pilot Waterflood Project in the North Red Hills Unit, Lea County, New Mexico. Applicant seeks approval of a pilot project for the injection of water into the Bone Spring formation, Red Hills-Bone Spring Pool through one injection well in its proposed North Red Hills Unit Area. The Project Area for this pilot waterflood project is the following area:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 12: S/2

Section 13: N/2

This area is located approximately 21 miles west by north of Jal, New Mexico.

CASE 12329: Continued from May 4, 2000, Examiner Hearing.

Application of EOG Resources, Inc. for a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of a unit agreement for its proposed Red Hills North Unit Area containing 3478.30 acres, more or less, of Federal and State lands comprising all or portions of Sections 6, 7, 8, 17 and 18, Township 25 South, Range 34 East, and all or portions of Sections 1, 12 and 13, Township 25 South, Range 33 East. The unit area is located approximately 19 miles west by north of Jal, New Mexico.

CASE 12385: Continued from May 4, 2000, Examiner Hearing.

Application of Texaco Exploration and Production, Inc. for Compulsory Pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Abo formation to the base of the Morrow formation underlying the following described acreage in Section 36, Township 15 South, Range 31 East, and in the following manner: (a) 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 this vertical extent which presently includes the Undesignated West Anderson Ranch-Pennsylvanian Gas Pool; and (b) the NW/4 to form a standard 160-acre gas spacing and proration unit for all formations developed on 160-acre spacing within this vertical extent. Both units are to be dedicated to the proposed Dulce "36" State Com. Well No. 1 (API No. 30-005-21160), to be drilled at a standard gas well location for both units 1330 feet from the North line and 1980 feet from the West line (Unit F) of Section 36. 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 the operator of this well and the two above-described units, and a charge for risk involved in drilling the well. The proposed well location is approximately seven miles north of Maljamar, New Mexico.

CASE 12377: Continued from May 4, 2000, Examiner Hearing.

Application of Concho 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 Morrow formation underlying the following described acreage in Section 10, Township 17 South, Range 27 East, and in the following manner: (a) the S/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 this vertical extent which presently includes the Undesignated Logan Draw-Atoka Gas Pool, Undesignated Logan Draw-Morrow Gas Pool, and Undesignated Crow Flats-Morrow Gas Pool; and (b) the SE/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 this vertical extent which presently includes the Undesignated Empire-Grayburg Gas Pool. Both units are to be dedicated to a single well, its proposed Woody "10" Federal Com. Well No. 1, to be drilled within the SE/4 SE/4 (Unit P) of Section 10 at a location considered to be standard for these two units. 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 the operator of this well and the two above-described units, and a charge for risk involved in drilling the well. The proposed well location is approximately 1.5 miles northeast of Riverside, New Mexico.

CASE 12392: Continued from May 4, 2000, Examiner Hearing.

Application of Chesapeake Operating Inc. for compulsory pooling and an unorthodox well location, Lea 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 22, Township 16 South, Range 36 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 gas spacing within said vertical extent including but not limited to the Anderson Ranch-Morrow Gas Pool; the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within said vertical extent; the S/2 NW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent including but not limited to the Diamond-Strawn Pool; and the SE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. This unit(s) is to be dedicated to its Teague "22" Well No. 1 which will be located at an unorthodox well location 2272 feet from the north line and 2125 feet from the west line 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 applicant as the operator of the well and a charge for risk involved in drilling this well. This unit(s) is located approximately 2-1/2 miles south of the center of the City of Lovington, New Mexico.

CASE 12408: **Application of Conoco, Inc. for approval of three (3) non-standard oil proration and spacing units and unorthodox oil well location, or in the alternative, approval of an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks (i) approval of three (3) non-standard oil proration and spacing units in the Undesignated North Hardy-Tubb-Drinkard Pool within Section 25, Township 20 South, Range 37 East, as follows: (a) a 40-acre non-standard unit consisting of the S/2 NW/4 SE/4 and the N/2 SW/4 SE/4 to be dedicated to its SEMU Well No. 135 (API No. 30-025-34666) which was originally drilled as a Strawn gas well at an unorthodox location 1330 feet from the South line and 1980 feet from the East line (Unit J) of this section and which is to be recompleted as a Tubb/Drinkard oil well; (b) a 20-acre non-standard unit consisting of the N/2 NW/4 SE/4; and (c) a 20-acre non-standard unit consisting of the S/2 SW/4 SE/4; or (ii) in the alternative, approval of an unorthodox well location for this well to be dedicated to a standard 40-acre spacing unit consisting of Unit J of this section. This well is located approximately 7 miles southwest of Nadine, New Mexico.

CASE 12393: Continued from May 4, 2000, Examiner Hearing.

Application of Santa Fe Snyder Corporation for compulsory pooling, Lea 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 within Section 17, Township 23 South, Range 34 East, in the following manner: the N/2 of this section to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within this vertical extent, including but not limited to the Antelope Ridge-Morrow Gas Pool; the NW/4 of this section to form a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within this vertical extent; and the SW/4 NW/4 of this section to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within this vertical extent. This unit(s) is to be dedicated to its Paloma Blanco"17" Federal Well No. 1 to be drilled and completed at a standard well location in Unit E of this section. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 22 miles southwest of Eunice, New Mexico.

CASE 12405: Continued from May 4, 2000, Examiner Hearing.

Application of Lynx Petroleum Consultants, 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 13, Township 19 South, Range 31 East, in the following manner: (i) the N/2 to form a standard 320-acre gas spacing and proration unit for all formations and/or pool developed on 320-acre spacing within that vertical extent, including the Undesignated Lusk-Atoka Gas Pool; and (ii) the NE/4 to form a standard 160-acre gas spacing and proration unit for all formations and/or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Lusk-Strawn Pool. The units are to be dedicated to applicant's Trapper 13 Federal Well No. 1, located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 13. 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 14 miles southeast of Loco Hills, New Mexico.

CASE 12409: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Southeast Dagger Draw-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Ceniza "AGZ" Com. Well No. 2 located in Unit M of Section 12, Township 20 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM
Section 12: S/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the North Indian Basin-Strawn Gas Pool. The discovery well is the Fasken Oil and Ranch, Ltd. State "32" Com. Well No. 1 located in Unit D of Section 32, Township 20 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 32: N/2

- (c) EXTEND the Atoka-San Andres Pool in Eddy County, New Mexico, to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 20: N/2

- (d) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM
Section 16: E/2
Section 21: NE/4

- (e) EXTEND the Southeast Crow Flats-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 10: S/2

- (f) EXTEND the East Empire-Yeso Pool in Eddy County, New Mexico, to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 20: N/2

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(g) EXTEND the Happy Valley-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 7: SE/4

(h) EXTEND the Huapache-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 23 SOUTH, RANGE 22 EAST, NMPM
Section 10: SW/4

(i) EXTEND the Indian Loafer Draw-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM
Section 34: E/2

(j) EXTEND the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM
Section 25: S/2

(k) EXTEND the Loco Hills-Paddock Pool in Eddy County, New Mexico, to include:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 14: SW/4
Section 16: SE/4

(l) EXTEND the West Lost Tank-Delaware Pool in Eddy County, New Mexico, to include:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM
Section 3: NE/4

(m) EXTEND the Penasco Draw-Atoka Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 35: S/2

(n) EXTEND the North Shugart-Bone Spring Pool in Eddy County, New Mexico, to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 9: SE/4
Section 30: NE/4

(o) EXTEND the Turkey Track-Atoka Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 9: S/2

(p) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 2: W/2

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

DOCKET: EXAMINER HEARING - THURSDAY - MAY 4, 2000
8:15 A.M. - 2040 South Pacheco
Santa Fe, New Mexico

Dockets Nos. 13-00 and 14-00 are tentatively set for May 18 and June 1, 2000. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

NOTICE:

In the future, all drafts of advertisements for hearing applications must be submitted electronically. You can e-mail them to Sally Martinez at:

semartinez@emnrd.state.nm.us.

If you are unable to file electronically, please submit them on disk.

CASE 12389: Application of Dugan Production Corp. for amendment of surface commingling Division Order R-10655, San Juan County, New Mexico. Applicant seeks an exception to Division Rule 303.A and 309-A by amending Division Order No. R-10655, surface commingling of Basin-Dakota Prorated Gas Pool and Harper Hill Fruitland Sand-Pictured Cliffs Gas Pool production, to include the Corn Well No. 4 located in Unit C, Section 2, Township 29 North, Range 14 West, the Federal I Well No. 99 located in Unit H, Section 3, Township 29 North, Range 14 West, and the Tabor Corn Well No. 90 located in Unit H, Section 35, Township 30 North, Range 14 West, production from the Basin Fruitland-Coal Gas Pool and for off-lease measurement of the subject wells. The subject wells are approximately 2 miles northwest of Farmington, New Mexico. *IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.*

CASE 12390: Application of Trilogy Operating, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in accordance with Division Rule 1207.A(1)(b) seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 SE/4 of Section 1, Township 20 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools spaced on 40-acre spacing, including but not limited to the Undesignated House-San Andres Pool, House-Blinbry Pool, East Warren Tubb Oil and Gas Pool and Undesignated D-K-Abo Pool. This unit is to be dedicated to its Howser Well No. 1 which has been drilled but not completed at a standard well location in Unit J of this section. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 2 miles south of Nadine, New Mexico. *IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.*

CASE 12391: Application of OXY USA, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in accordance with Division Rule 1207.A(1)(b), seeks an order pooling all mineral interests from the surface to the base of the Pennsylvanian formation underlying the following described acreage in Section 9, Township 25 South, Range 26 East, in the following manner: (a) all of Section 9 forming a standard 640-acre gas spacing and proration unit for any and all formations and/or pools spaced on 640-acre spacing, including but not limited to the White City-Pennsylvanian Gas Pool; (b) N/2 of Section 9 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools spaced on 320-acre spacing, including but not limited to the Chosa Draw-Morrow Gas Pool and the Sage Draw-Wolfcamp Gas Pool; (c) SE/4 NW/4 of Section 9 forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools spaced on 40-acre spacing, including but not limited to the South Black River-Delaware Pool and the Southwest Sulfate-Delaware Pool. Said unit(s) is to be dedicated to its Esperanza Federal Well No. 1 to be drilled and completed at a standard well location in Unit F 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 applicant as the operator of the well and a charge for risk involved in this well. This well will be located approximately 4-1/2 miles southeast from Whites City, New Mexico. *IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.*

CASE 12377: Continued from April 20, 2000, Examiner Hearing.

Application of Concho 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 Morrow formation underlying the following described acreage in Section 10, Township 17 South, Range 27 East, and in the following manner: (a) the S/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 this vertical extent which presently includes the Undesignated Logan Draw-Atoka Gas Pool, Undesignated Logan Draw-Morrow Gas Pool, and Undesignated Crow Flats-Morrow Gas Pool; and (b) the SE/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 this vertical extent which presently includes the Undesignated Empire-Grayburg Gas Pool. Both units are to be dedicated to a single well, its proposed Woody "10" Federal Com. Well No. 1, to be drilled within the SE/4 SE/4 (Unit P) of Section 10 at a location considered to be standard for these two units. 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 the operator of this well and the two above-described units, and a charge for risk involved in drilling the well. The proposed well location is approximately 1.5 miles northeast of Riverside, New Mexico.

CASE 12369: Continued from April 20, 2000, Examiner Hearing.

Application Concho Resources, 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 10, township 17 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within this vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool, Undesignated South shoe Bar-Morrow Gas Pool, Undesignated Shoe Bar-Mississippian Gas Pool, and Undesignated South Shoe Bar-Mississippian Gas Pool. This unit is to be dedicated to its proposed South Shoebar 10 State Com Well No. 2 (API No. 30-025-34783) to be drilled at a standard gas well location in the SW/4 NW/4 (Unit E) of Section 10. 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 risk involved in drilling the well. The area is located approximately 8 miles southwest of Lovington, New Mexico.

CASE 12392: **Application of Chesapeake Operating Inc. for compulsory pooling and an unorthodox well location, Lea 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 22, Township 16 South, Range 36 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 gas spacing within said vertical extent including but not limited to the Anderson Ranch-Morrow Gas Pool; the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within said vertical extent; the S/2 NW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within said vertical extent including but not limited to the Diamond-Strawn Pool; and the SE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within said vertical extent. This unit(s) is to be dedicated to its Teague "22" Well No. 1 which will be located at an unorthodox well location 2272 feet from the north line and 2125 feet from the west line 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 applicant as the operator of the well and a charge for risk involved in drilling this well. This unit(s) is located approximately 2-1/2 miles south of the center of the City of Lovington, New Mexico.

CASE 12367: Continued from April 20, 2000, Examiner Hearing.

Application of Santa Fe Snyder Corporation for Pool Creation, Special Pool Rules, and an Unorthodox Oil Well Location, Eddy County, New Mexico. Applicant seeks an order creating a new pool for the production of oil designated as the North Cass Draw-Wolfcamp Pool with horizontal limits comprising the NW/4 of Section 27, Township 22 South, Range 27 East, and approving special pool rules for the pool including 160-acre well spacing and special well location requirements. Applicant requests that the pool rules be made effective February 1, 2000. Applicant further requests approval of an unorthodox location for its Weems Well No. 1 located 990 feet from the North line and 1330 feet from the West line (Unit C) of Section 27. The pool is located approximately 1 1/2 miles northwest of Otis, New Mexico

CASE 12393: **Application of Santa Fe Snyder Corporation for compulsory pooling, Lea 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 within Section 17, Township 23 South, Range 34 East, in the following manner: the N/2 of this section to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within this vertical extent, including but not limited to the Antelope Ridge-Morrow Gas Pool; the NW/4 of this section to form a standard 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within this vertical extent; and the SW/4 NW/4 of this section to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within this vertical extent. This unit(s) is to be dedicated to its Paloma Blanco "17" Federal Well No. 1 to be drilled and completed at a standard well location in Unit E of this section. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 22 miles southwest of Eunice, New Mexico.

CASE 12394: **Application of ARCO Permian for amendment of surface commingling Division Order PLC-143, Eddy County, New Mexico.** Applicant seeks an exception to Division Rule 309-B.A.(5)(b) to amend Division Order PLC-143 to permit surface commingling by well test for the Red Lake '3' Federal Lease (Federal Lease No. LC-028805-B), SW/4 NW/4 of Section 3; Vermillion '3' Federal Lease (Federal Lease No. LC-055465-B), SE/4 NW/4 of Section 3; West Red Lake '4' Federal Lease (Federal Lease No. LC-065478-A), N/2 NW/4 of Section 4; and Lago Rosa '4' Federal Lease (Federal Lease No. NMNM-29280), NW/4 SW/4 of Section 4; all in Township 18 South, Range 27 East. The leases are approximately 8 miles southeast of Artesia, New Mexico.

CASE 12395: **Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, Rio Arriba County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations from the base of the Pictured Cliffs formation to the base of the Dakota formation in S/2 of Section 29, Township 26 North, Range 2 West, N.M.P.M. for all formations and or pools developed on 320-acre spacing to be dedicated to its Bear Com 29 Well No. 1 to be drilled to a depth sufficient to test all formations in the pooled interval including, but not necessarily limited to the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool, at a standard location in the SE/4 of said Section 29. 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 as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 11 miles north of Lindrith, New Mexico.

CASE 12396: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests underlying the E/2 of Section 12, Township 22 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit for formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the undesignated Catclaw Draw-Wolfcamp Gas Pool, undesignated Hackberry Hills-Canyon Gas Pool, undesignated Hackberry Hills-Atoka Gas Pool, and Revelation-Morrow Gas Pool. Said spacing and proration unit is to be dedicated to Nearburg's proposed White Tip 12 Fed. Com. Well # 1, to be drilled at a standard location in the SE/4 (Unit P) of said Section 12. 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, L.L.C., as operator of the well; and, a charge for risk involved in drilling said well. Said area is located approximately 7 miles southwest of Carlsbad, New Mexico.

CASE 12397: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the W/2 of Section 19 Township 17 South, Range 28 East, NMPM, which includes but is not necessarily limited to the Undesignated Logan Draw-Morrow Gas Pool. Said units are to be dedicated to its Mandalay "19" State Com Well No. 1 to be drilled at a standard location 990 feet from the North line and 1650 feet from the West line of said Section 19 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, L.L.C. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 11 miles east of Artesia, New Mexico.

CASE 12382: **Continued from April 20, 2000, Examiner Hearing**

Application of Nearburg Exploration Company, L.L.C. 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 21, Township 19 South, Range 28 East, and in the following manner: (a) the S/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 this vertical extent which presently includes the Undesignated South Millman-Atoka Gas Pool, Undesignated Winchester-Atoka Gas Pool, Undesignated South Millman-Morrow Gas Pool, Undesignated Winchester-Morrow Gas Pool, and Undesignated North Winchester-Morrow Gas Pool; (b) the SE/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 said vertical extent; and (c) the SW/4 SE/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 this vertical extent which presently includes but is not necessarily limited to the East Millman Yates-Seven Rivers-Queen-Grayburg-San Andres Pool and the Undesignated North Winchester-Wolfcamp Pool. These units are to be dedicated to a single well to be drilled at a location considered to be standard for all three units 660 feet from the South line and 1650 feet from the East line (Unit O) of Section 21. 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 Nearburg Producing Company as the operator of the well and the three above-described units, and a charge for risk involved in drilling the well. Further, the East Millman Yates-Seven Rivers-Queen-Grayburg-San Andres Pool underlying the SW/4 SE/4 of Section 21 is currently dedicated to C.F.M. Oil Company's Monsanto State Well No. 1 (API No. 30-015-24252), located at a standard oil well location 986 feet from the South line and 1650 feet from the East line (Unit O) of Section 21. At the time of the hearing it will be necessary for the applicant to address certain issues created by the forced pooling of producing acreage currently operated by another operator. The proposed well location is approximately eleven miles east of Lakewood, New Mexico.

CASE 12383: **Continued from April 20, 2000, Examiner Hearing.**

Application of Nearburg Exploration Company, L.L.C. 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 24, Township 18 South, Range 26 East, and in the following manner: (a) the E/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 this vertical extent which presently includes the Red Lake-Pennsylvanian Gas Pool; (b) the SE/4 to form a standard 160-acre gas spacing and proration unit for all formations developed on 160-acre spacing within said vertical extent; and (c) the NE/4 SE/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 this vertical extent which presently includes the Dayton (Grayburg) Pool, Undesignated Atoka-San Andres Pool, Undesignated Atoka-Glorieta-Yeso Pool, and Undesignated Dayton-Abo Pool. These three units are to be dedicated to a single well, the proposed Rio Pecos "24" Well No. 1, to be drilled within the NE/4 SE/4 (Unit I) of Section 24 at a location considered to be standard for all three units. 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 Nearburg Producing Company, L.L.C. as the operator of the well and units, and a charge for risk involved in drilling the well. The proposed well location is approximately three miles east of Dayton, New Mexico.

CASE 12384: Continued from April 20, 2000, Examiner Hearing.

Application of Louis Dreyfus Natural Gas for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from a depth of 4,000 feet to the base of the Morrow formation, underlying the following described acreage in Section 34, Township 17 South, Range 28 East, and in the following manner: (a) 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 this vertical extent which presently includes the Empire-Pennsylvanian Gas Pool; (b) the NW/4 to form a standard 160-acre gas spacing and proration unit for all formations developed on 160-acre spacing within said vertical extent; and (c) the SW/4 NW/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 this vertical extent which presently includes the Undesignated Empire-Wolfcamp Pool. These three units are to be dedicated to a single well, the proposed Geronimo "34" State Com. Well No. 1, to be drilled within the SW/4 NW/4 (Unit E) of Section 34 at a location considered to be standard for all three units. 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 the applicant as the operator of the well and units, and a charge for risk involved in drilling the well. The proposed well location is approximately one-quarter mile southwest of the junction of U. S. Highway No. 82 and New Mexico State Road No. 360.

CASE 12398: **Application of EOG Resources, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing in the E/2, including but not limited to the Undesignated Crow flats-Morrow Gas Pool, in all formations developed on 160-acre spacing in the SE/4, including but not limited to the Vandagriff Keyes-Queen Gas Pool, and in all formations developed on 40-acre spacing in the SE/4 SE/4 including but not limited to the Undesignated East Red Lake Queen-Grayburg Pool, all in Section 33, Township 16 South, Range 28 East. Said units are to be dedicated to its Zephyr "33" State Com Well No. 1 to be drilled at a standard location in the SE/4 SE/4 of said Section 33 to a depth sufficient to test all formations from the surface to the top of the Mississippian 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 EOG Resources, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 13 miles east of Artesia, New Mexico.

CASE 12399: **Application of EOG Resources, Inc. for approval of a Pilot Waterflood Project in the North Red Hills Unit, Lea County, New Mexico.** Applicant seeks approval of a pilot project for the injection of water into the Bone Spring formation, Red Hills-Bone Spring Pool through one injection well in its proposed North Red Hills Unit Area. The Project Area for this pilot waterflood project is the following area:

TOWNSHIP 25 SOUTH, RANGE 33 EAST, NMPM

Section 12: S/2

Section 13: N/2

This area is located approximately 21 miles west by north of Jal, New Mexico.

CASE 12329: Continued from April 6, 2000, Examiner Hearing.

Application of EOG Resources, Inc. for a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of a unit agreement for its proposed Red Hills North Unit Area containing 3478.30 acres, more or less, of Federal and State lands comprising all or portions of Sections 6, 7, 8, 17 and 18, Township 25 South, Range 34 East, and all or portions of Sections 1, 12 and 13, Township 25 South, Range 33 East. The unit area is located approximately 19 miles west by north of Jal, New Mexico.

CASE 11826: Reopened. Continued from March 16, 2000, Examiner Hearing.

Application of Quay Valley, Inc. to reopen Case No. 11826 and for amendment of Division Order Nos. R-4629 and R-4629-A to authorize a tertiary recovery project by the injection of microemulsion in its North El Mar-Delaware Unit Waterflood Project Area, and to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a tertiary recovery project in its North El Mar Unit Waterflood Project Area by the injection of microemulsion into the Delaware formation in the El Mar-Delaware Pool. The El Mar-Delaware Unit Waterflood Project Area encompasses portions of Sections 24, 25, 26, 27, 34, 35, and 36 of Township 26 South, Range 32 East, and Sections 19, 30, and 31 of Township 26 South, Range 33 East. Applicant also seeks to increase the approved surface injection pressure for microemulsion injection in this project area to 1160 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the New Mexico Enhanced Oil Recovery Act, NMSA 1978, Sections 7-29A-1 through 7-29A-5. The unit is located approximately 26 miles west-southwest of Jal, New Mexico.

CASE 12400: **Application of Yates Petroleum Corporation for special pool rules and amendment of the depth bracket allowable for the Northwest Shoe Bar-Strawn Pool, Lea County, New Mexico.** Applicant seeks an increase in the depth bracket allowable for the Northwest Shoe Bar-Strawn Pool located in portions of Section 15 of Township 16 South, Range 35 East, to 365 barrels of oil per day for each 40-acre unit to conform the depth bracket allowable to the depth from which wells in this pool are producing. Applicant also seeks the adoption of special pool rules and regulations for this pool including a limiting gas-oil ratio of 6000 cubic feet of gas per barrel of oil produced. Said pool is located approximately 5.5 miles west of Lovington, New Mexico.

CASE 12385: Continued from April 20, 2000, Examiner Hearing.

Application of Texaco Exploration and Production, Inc. for Compulsory Pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Abo formation to the base of the Morrow formation underlying the following described acreage in Section 36, Township 15 South, Range 31 East, and in the following manner: (a) 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 this vertical extent which presently includes the Undesignated West Anderson Ranch-Pennsylvanian Gas Pool; and (b) the NW/4 to form a standard 160-acre gas spacing and proration unit for all formations developed on 160-acre spacing within this vertical extent. Both units are to be dedicated to the proposed Dulce "36" State Com. Well No. 1 (API No. 30-005-21160), to be drilled at a standard gas well location for both units 1330 feet from the North line and 1980 feet from the West line (Unit F) of Section 36. 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 the operator of this well and the two above-described units, and a charge for risk involved in drilling the well. The proposed well location is approximately seven miles north of Maljamar, New Mexico.

CASE 12353: Continued from April 20, 2000, Examiner Hearing.

Application of Southwestern Energy Production Company 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 10, Township 17 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 the Undesignated South Shoe Bar-Atoka Gas Pool, the Undesignated South Shoe Bar-Morrow Gas Pool, and the Undesignated South Shoe Bar-Mississippian Gas Pool. The unit is to be dedicated to its South Shoe Bar "10" State Com. Well No. 4 to be drilled at an orthodox location in the NE/4 NW/4 of Section 10. 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 risk involved in drilling and completing the well. The unit is located approximately 8 1/2 miles southwest of Lovington, New Mexico.

CASE 12379: Continued from April 20, 2000, Examiner Hearing.

Application of KCS Medallion Resources, Inc. for Compulsory Pooling and an Unorthodox Gas Well Location, 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 23, Township 19 South, Range 29 East, and in the following manner: (i) the N/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated West Parkway-Atoka Gas Pool and Undesignated West Parkway-Morrow Gas Pool; (ii) the NW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent, including but not limited to the Undesignated Parkway-Strawn Pool; (iii) and the NW/4 NW/4 for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated Parkway-Delaware Pool, Undesignated North Parkway-Wolfcamp Pool, and Undesignated North Parkway-Upper Pennsylvanian Pool. These units are to be dedicated to applicant's West Parkway State Well No. 1 to be drilled from a surface location 400 feet from the South line and 1050 feet from the East line (Unit P) of Section 15, Township 19 South, Range 29 East to a bottomhole location 660 feet from the North and West lines of Section 23. Applicant also requests approval of an unorthodox gas well location. 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 units, and a charge for risk involved in drilling and completing the well. The units are located approximately 12 1/2 miles south-southwest of Loco Hills, New Mexico.

CASE 12374: Continued from April 6, 2000, Examiner Hearing.

Application of Yates Petroleum Corporation for Amendment of the Special Rules and Regulations for the South Big Dog-Strawn Pool, Lea County, New Mexico. Applicant seeks the amendment of the Special Rules and Regulations for the South Big Dog-Strawn Pool located in portions of Section 32, Township 15 South, Range 35 East, and portions of Sections 1, 2, 3, 11 and 12, Township 16 South, Range 35 East, including the adoption of a special gas-oil ratio for the pool of 6000 cubic feet of gas for each barrel of oil produced. This area is centered approximately 4 miles west of Lovington, New Mexico.

CASE 12401: **Application of Ocean Energy Resources, Inc. for Pool Creation and Special Pool Rules, Pool Contraction, and Cancellation of Overproduction, Lea County, New Mexico.** Applicant seeks the following: (i) to contract the horizontal limits of the South Big Dog-Strawn Pool by severing the S/2 SE/4 of Irregular Section 2 and the NE/4 of Section 11, both in Township 16 South, Range 35 East; (ii) the creation of a new pool for the production of oil from the Strawn formation to comprise this severed acreage; (iii) for the promulgation of special rules and regulation for this new pool including provisions for 80-acre spacing and designated well location requirements; (iv) to establish a special top depth bracket allowable for this new pool of 750 barrels of oil per day for each unit; (v) to set a special limiting gas/oil ratio for this new pool at 6,000 cubic feet of gas for per barrel of oil, or a casinghead gas allowable for each unit set at 4,500,000 cubic feet of gas per day; and (vi) and the cancellation of any over-production incurred on wells producing from the South Big Dog-Strawn Pool within this newly established pool boundary. The proposed pool is centered approximately 3 miles west of Lovington, New Mexico.

CASE 12402: **Application of Devon Energy Operating Company, L.P. to amend Division Order No. R-11264 and for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order amending Order No. R-11264 and pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 7, Township 24 South, Range 25 East, and in the following manner: Lots 3, 4, E/2 SW/4, and SE/4 to form a standard 319.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Mosley Canyon-Strawn Gas Pool and Undesignated Baldrige Canyon-Morrow Gas Pool; and Lots 3, 4, and E/2 SW/4 to form a standard 159.80-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's State 7 Well No. 2Y, located 1836 feet from the South line and 2000 feet from the West line (Unit K) of Section 7. 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 the operator of the well, and a charge for risk involved in drilling and completing the well. The units are located approximately 5.5 miles northwest of Whites City, New Mexico.

CASE 12368: **Continued from April 20, 2000, Examiner Hearing.**

Application of Harvey E. Yates Company for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 9000 feet subsurface to the base of the Morrow formation underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 5, Township 18 South, Range 31 East, to form a standard 319.96-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shugart-Morrow Gas Pool. The unit is to be dedicated to a well to be drilled at a standard gas well location in the SW/4 of Section 5. 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 risk involved in drilling and completing the well. The unit is located approximately six miles southeast of Loco Hills, New Mexico.

CASE 12403: **Application of Home-Stake Oil & Gas Company for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Fusselman formation underlying the NW/4 SE/4 of Section 26, Township 22 South, Range 37 East, to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated East Brunson-McKee Pool, Langlie-Mattix Pool, Undesignated South Brunson-Drinkard-Abo Pool, and Undesignated South McCormack-Silurian Pool. The unit is to be dedicated to applicant's Keohane Well No. 1 to be drilled at an orthodox oil well location in Section 26. Also to be considered will be the cost of drilling 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 5 1/2 miles south-southeast of Eunice, New Mexico.

CASE 12404: **Application of Home-Stake Oil & Gas Company for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks approval of an unorthodox oil well location in the Fusselman formation (South McCormack-Silurian Pool) in its Mozingo Well No. 1, to be located at a surface location 365 feet from the North line and 1593 feet from the East line (Unit B), and a bottomhole location 150 feet from the North line and 1470 feet from the East line (Unit B), of Section 27, Township 22 South, Range 37 East. The NW/4 NE/4 of Section 27 will be dedicated to the well. The unit is located approximately 4 1/2 miles south of Eunice, New Mexico. *IN THE ABSENCE OF OBJECTION THIS CASE WILL BE TAKEN UNDER ADVISEMENT.*

CASE 12405: **Application of Lynx Petroleum Consultants, 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 13, Township 19 South, Range 31 East, in the following manner: (i) the N/2 to form a standard 320-acre gas spacing and proration unit for all formations and/or pool developed on 320-acre spacing within that vertical extent, including the Undesignated Lusk-Atoka Gas Pool; and (ii) the NE/4 to form a standard 160-acre gas spacing and proration unit for all formations and/or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Lusk-Strawn Pool. The units are to be dedicated to applicant's Trapper 13 Federal Well No. 1, located 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 13. 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 14 miles southeast of Loco Hills, New Mexico.

CASE 12406: **Application of Pogo Producing company for approval of permits to drill four wells within the potash area, as defined by Division Order No. R-111-P, Eddy County, New Mexico.** Applicant seeks approval of permits to drill four wells in the S/2 S/2 of Section 35, Township 21 South, Range 31 East, to a depth sufficient to test the Undesignated Lost Tank-Delaware Pool. The proposed wells are within the potash area, as defined by Division Order No. R-111-P. The acreage is located approximately 28 miles east-northeast of Carlsbad, New Mexico.

CASE 12381: Continued from April 20, 2000, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for an Unorthodox Gas Well Location, Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to drill its proposed Mayfly "14" State Com. Well No. 7 to the Mississippian formation at an unorthodox gas well location 330 feet from the North and East lines (Unit A) of Section 14, Township 16 South, Range 35 East. The E/2 of Section 14 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing from the top of the Cisco formation to the base of the Mississippian formation, which includes the Undesignated North Shoe Bar-Atoka Gas Pool, Undesignated Shoe Bar-Atoka Gas Pool, Townsend-Morrow Gas Pool, and Undesignated North Townsend-Mississippian Gas Pool. This unit is located approximately one and one-half miles south-southwest of the Lovington Lea County - Zip Franklin Memorial Airport (E06).

CASE 12360: Continued from April 20, 2000, Examiner Hearing.

Application of Doyle Hartman, Oil Operator for rescission and reconsideration of portions of Division Order No. R-9073, as amended, affecting lands in Townships 22 and 23 South, Range 36 East, Lea County, New Mexico. Applicant seeks rescission and reconsideration of portions of Division Order No. R-9073, as amended, which affects lands and wells in the Jalmat Gas Pool. This area is centered approximately 10 miles northwest of Jal, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - APRIL 6, 2000

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 10-00 and 11-00 are tentatively set for April 20 and May 4, 2000. 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 12348: Continued from March 16, 2000, Examiner Hearing.

Application of David H. Arrington, Oil & Gas, Inc. for an Unorthodox Injection Well Location, approval of its Mayfly "14" State Leasehold Pressure Maintenance Project, and to Qualify this Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its gas injection pressure maintenance project within the Strawn formation of the North Shoe Bar-Strawn Pool to be located within the NE/4 of Section 14, Township 16 South, Range 35 East, to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (Sections 7-29/A-1 through 7-29A-5, NMSA 1978). Applicant also seeks approval to drill its injection well at an unorthodox well location 535 feet from the North line and 2300 feet from the East line and of this section. This project is located approximately 4 miles southeast of Lovington, New Mexico.

CASE 12355: Continued from March 16, 2000, Examiner Hearing.

Application of Matador E & P Company to establish infill well procedures and to amend well location requirements for the Red Hills-Wolfcamp Gas Pool or, in the alternative, for simultaneous dedication, Lea County, New Mexico. Applicant seeks an order amending the Special Rules and Regulations of the Red Hills-Wolfcamp Gas Pool as follows: (a) amend Rule 2 to provide that a second well be drilled within a standard 640-acre spacing unit but on a governmental quarter section not containing a first well and (b) amend Rule 4 to conform the well location rules to Division Rule 104.C(2). In the alternative, applicant seeks the simultaneous dedication of the Red Hills Unit Well No. 2 located in Unit B and the Red Hills Unit Well No. 3 in Unit K of Section 5, Township 26 South, Range 33 East, to a standard 640-acre gas spacing unit consisting of this section. This pool is located approximately 2 1/2 miles west of Jal, New Mexico.

CASE 12364: **Application of Dugan Production Corporation for Salt Water Disposal, San Juan County, New Mexico.** Applicant seeks authority to utilize its Stella Needs a Com. Well No. 1 (API No. 30-045-08994), located 1650 feet from the South and West lines (Unit K) of Section 36, Township 30 North, Range 14 West, to dispose of produced salt water into the Blanco-Mesaverde Pool through the perforated interval from approximately 3,690 feet to 3,820 feet. This well is located approximately 2.5 miles northwest of the Farmington Four Corners Regional airport (FMN).

CASE 12365: **Application of Dugan Production Corporation for Salt Water Disposal, San Juan County, New Mexico.** Applicant seeks authority to utilize its West Bisti Unit Well No. 153 (API No. 30-045-05619), located 1990 feet from the South line and 1960 feet from the West line (Unit K) of Section 35, Township 26 North, Range 13 West, to dispose of produced salt water into the Blanco-Mesaverde Pool through the perforated interval from approximately 2,747 feet to 3,875 feet. This well is located approximately 18 miles south of Farmington, New Mexico.

CASE 12353: Continued from March 16, 2000, Examiner Hearing.

Application of Southwestern Energy Production Company 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 10, Township 17 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 the Undesignated South Shoe Bar-Atoka Gas Pool, the Undesignated South Shoe Bar-Morrow Gas Pool, and the Undesignated South Shoe Bar-Mississippian Gas Pool. The unit is to be dedicated to its South Shoe Bar "10" State Com. Well No. 4 to be drilled at an orthodox location in the NE/4 NW/4 of Section 10. 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 risk involved in drilling and completing the well. The unit is located approximately 8 1/2 miles southwest of Lovington, New Mexico.

CASE 12366: **Application of The Wiser Oil Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Grayburg-San Andres formation underlying the SW/4 SW/4 of Section 33, Township 16 South, Range 32 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 Grayburg-Jackson Pool. The unit is to be dedicated to its Caswell Well No. 1 to be located 660 feet from the South line and 560 feet from the West line (Unit M) 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 the operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 18 miles northwest of Maljamar, New Mexico.

CASE 12367: **Application of Santa Fe Snyder Corporation for Pool Creation, Special Pool Rules, and an Unorthodox Oil Well Location, Eddy County, New Mexico.** Applicant seeks an order creating a new pool for the production of oil designated as the North Cass Draw-Wolfcamp Pool with horizontal limits comprising the NW/4 of Section 27, Township 22 South, Range 27 East, and approving special pool rules for the pool including 160-acre well spacing and special well location requirements. Applicant requests that the pool rules be made effective February 1, 2000. Applicant further requests approval of an unorthodox location for its Weems Well No. 1 located 990 feet from the North line and 1330 feet from the West line (Unit C) of Section 27. The pool is located approximately 1 1/2 miles northwest of Otis, New Mexico.

CASE 12368: **Application of Harvey E. Yates Company for Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from 9000 feet subsurface to the base of the Morrow formation underlying Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) of Section 5, Township 18 South, Range 31 East, to form a standard 319.96-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shugart-Morrow Gas Pool. The unit is to be dedicated to a well to be drilled at a standard gas well location in the SW/4 of Section 5. 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 risk involved in drilling and completing the well. The unit is located approximately six miles southeast of Loco Hills, New Mexico.

CASE 12329: **Continued from March 16, 2000, Examiner Hearing.**

Application of EOG Resources, Inc. for a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of a unit agreement for its proposed Red Hills North Unit Area containing 3478.30 acres, more or less, of Federal and State lands comprising all or portions of Sections 6, 7, 8, 17 and 18, Township 25 South, Range 34 East, and all or portions of Sections 1, 12 and 13, Township 25 South, Range 33 East. The unit area is located approximately 19 miles west by north of Jal, New Mexico.

CASE 12357: **Continued from March 16, 2000, Examiner Hearing.**

Application of Clayton Williams Energy, Inc. for salt water disposal, Eddy County, New Mexico. Applicant seeks approval to inject salt water produced as a result of hydrocarbon production into the plugged and abandoned New Mexico "EO" State Com Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 20, Township 17 South, Range 29 East, which is located approximately 6.2 miles west of Loco Hills, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12369: **Application Concho Resources, 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 10, township 17 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within this vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool, Undesignated South shoe Bar-Morrow Gas Pool, Undesignated Shoe Bar-Mississippian Gas Pool, and Undesignated South Shoe Bar-Mississippian Gas Pool. This unit is to be dedicated to its proposed South Shoebar 10 State Com Well No. 2 (API No. 30-025-34783) to be drilled at a standard gas well location in the SW/4 NW/4 (Unit E) of Section 10. 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 risk involved in drilling the well. The area is located approximately 8 miles southwest of Lovington, New Mexico.

CASE 12370: **Application of Marbob Energy Corporation for an unorthodox gas well location, Eddy County, New Mexico.** Applicant seeks an exception to Division Rule 104.C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to drill its Primero Federal Well No. 2 (API No. 30-015-30990) to the Morrow formation at an unorthodox gas well location 2116 feet from the South line and 542 feet from the West line (Unit L) of Section 23, Township 26 South, Range 24 East. The S/2 of Section 23 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for the Undesignated South Washington Ranch-Morrow Gas Pool. This unit is located approximately 12 miles southwest by south of White City, New Mexico.

CASE 12371: **Application of Texaco Exploration and Production Inc. for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the Queen formation to the base of the Morrow formation underlying the following described acreage in Section 17, Township 16 South, Range 32 East, in the following manner: (a) the N/2 to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing; (b) the NE/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; and (c) the SW/4 NE/4 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing. These units are to be dedicated to a single well, the proposed Texmack "17" State Com Well No. 1 to be drilled at a location that is standard for each of these units. Also to be considered will be the cost of drilling and completing this 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 units, and a charge for risk involved in drilling the well. The proposed well location is approximately 4 miles northwest of Maljamar, New Mexico.

CASE 12372: **Application of Yates Petroleum Corporation for Approval of a Unit Agreement, Lea County, New Mexico.** Applicant seeks approval of the Indigo State Unit Agreement for an area comprising 2533.67 acres, more or less, of state lands in Sections 5, 6, 7 and 8, Township 12 South, Range 35 East, which is located approximately 8 miles west/northwest of Tatum, New Mexico.

CASE 12373: **Application of Yates Petroleum Corporation for an Unorthodox Gas Well Location, Lea County, New Mexico.** Applicant seeks an exception to Division Rule 104.C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999. Yates Petroleum Corporation proposes to re-enter the plugged and abandoned Read & Stevens State "F" Well No. 1 (API No. 30-025-23286) to be redesignated the Caprock "AVD" State Well No. 1, which is located at an unorthodox gas well location 660 feet from the North line and 510 feet from the East line (Unit A) of Section 13, Township 11 South, Range 32 East. The E/2 of Section 13 is to be dedicated to this well in order to form a standard 320-acre gas spacing and proration unit for either the Atoka and Morrow formations and the Undesignated East Caprock-Mississippian Gas Pool. Said unit is located approximately three miles southeast of Caprock, New Mexico **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12374: **Application of Yates Petroleum Corporation for Amendment of the Special Rules and Regulations for the South Big Dog-Strawn Pool, Lea County, New Mexico.** Applicant seeks the amendment of the Special Rules and Regulations for the South Big Dog-Strawn Pool located in portions of Section 32, Township 15 South, Range 35 East, and portions of Sections 1, 2, 3, 11 and 12, Township 16 South, Range 35 East, including the adoption of a special gas-oil ratio for the pool of 6000 cubic feet of gas for each barrel of oil produced. This area is centered approximately 4 miles west of Lovington, New Mexico.

CASE 12375: **Application of Yates Petroleum Corporation for Special Pool Rules, Lea County, New Mexico.** Applicant seeks an increase in the depth bracket allowable for the Northwest Shoe Bar-Strawn Pool located in portions of Section 15, Township 16 South, Range 35 East, to 365 barrels of oil per day for each 40-acre unit. This pool is located approximately 5.5 miles west of Lovington, New Mexico.

CASE 12343: **Continued from March 2, 2000, Examiner Hearing.**

Application of John H. Hendrix Corporation for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all oil and associated casinghead gas formations developed on 40-acre spacing from the base of the Grayburg formation to the base of the Drinkard formation in the NE/4 SW/4 of Section 34, Township 23 South, Range 37 East. The unit is to be dedicated to its Eva Blinebry "B" Well No. 1, to be drilled at a standard location in the NE/4 SW/4 of Section 34 to a depth of approximately 6,400 feet to test all formations from the base of the Grayburg formation to the base of the Drinkard formation, Teague-Paddock-Blinebry Pool and the Undesignated Imperial Tubb-Drinkard Pool. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. The well is located approximately 12 miles south of Eunice, New Mexico.

CASE 12086: **Consolidated – Continued from February 17, 1999, Examiner Hearing.**

Application of Yates Petroleum Corporation and Hanley Petroleum Inc. for allowable reduction and the escrow of production proceeds, Lea County, New Mexico. Applicants seek an order (1) reducing the depth bracket allowable for wells in the West Lovington-Strawn Pool to a level that will only permit operators to avoid lease terminations for failure of wells to produce in paying quantities; (2) providing for termination of the reduced depth bracket allowable for the pool when the West Lovington Strawn Unit is expanded to protect the correlative rights of each owner in the pool pursuant to a ratified statutory unitization order of the Oil Conservation Commission; and (3) requiring Gillespie-Crow, Inc. to escrow all payments received for production from the unit, and less payments for royalties and taxes thereon, from the date of the order until the unit has been expanded pursuant to a ratified statutory unitization order of the Commission to include all lands affected by the pressure maintenance project being conducted in the pool. The unit is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

CASE 12086: **Consolidated - Continued from February 17, 1999, Examiner Hearing.**

Application of Energen Resources Corporation for allowable reduction and the escrow of production proceeds, Lea County, New Mexico. Applicants seek an order (1) reducing the depth bracket allowable for wells in the West Lovington-Strawn Pool to a level that will only permit operators to avoid lease terminations for failure of wells to produce in paying quantities; (2) providing for termination of the reduced depth bracket allowable for the pool when the West Lovington Strawn Unit is expanded to protect the correlative rights of each owner in the pool pursuant to a ratified statutory unitization order of the Oil Conservation Commission; and (3) requiring Gillespie-Crow, Inc. to escrow all payments received for production from the unit, and Snyder "C" Well No. 4, and the Snyder "EC" Com Well No. 1, less payments for royalties and taxes thereon, from the date of the order until the unit has been expanded pursuant to a ratified statutory unitization order of the Commission to include all lands affected by the pressure maintenance project being conducted in the pool. The unit is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

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CASE 12376: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the South Diamond Mound-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Lucky Strike "AST" Federal Com Well No. 1 located in Unit N of Section 28, Township 16 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 28: S/2

- (b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Grayburg production and designated as the Dog Canyon-Grayburg Gas Pool. The discovery well is The Edmar Company LLC's OXY Polar Bear State Well No. 1 located in Unit K of Section 36, Township 16 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 36: SW/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Fadeaway Ridge-Wolfcamp Pool. The discovery well is the Saga Petroleum Limited Liability Company of Colorado's Pacheco Federal Well No. 1 located in Unit J of Section 31, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 31: SE/4

- (d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Strawn production and designated as the Grayburg-Strawn Pool. The discovery well is the Marbob Energy Corporation M. Dodd "B" Deep Federal Well No. 1 located in Unit I of Section 14, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 14: SE/4

- (e) EXTEND the West Atoka-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM
Section 2: W/2

- (f) EXTEND the South Carlsbad-Strawn Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 7: W/2
Section 18: W/2

- (g) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM
Section 23: E/2
Section 26: E/2

- (h) EXTEND the Southeast Crow Flats-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 4: E/2
Section 9: E/2

- (i) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico, to include:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 4: N/2

- (j) EXTEND the Foor Ranch-Wolfcamp Gas Pool in Chaves County, New Mexico, to include:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 14: W/2

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- (k) EXTEND the Indian Loafer Draw-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico, to include:
TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM
Section 35: W/2 and SE/4
- (l) EXTEND the South Livingston Ridge-Delaware Pool in Eddy County, New Mexico, to include:
TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 1: SE/4
- (m) EXTEND the Logan Draw-Atoka Gas Pool in Eddy County, New Mexico, to include:
TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 26: W/2
Section 27: N/2
- (n) EXTEND the Nash Draw-Brushy Canyon Pool in Eddy County, New Mexico, to include:
TOWNSHIP 23 SOUTH, RANGE 30 EAST, NMPM
Section 31: SE/4
- (o) EXTEND the Northeast Red Lake-Glorieta-Yeso Pool in Eddy County, New Mexico, to include:
TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 25: SW/4
Section 36: W/2
- (p) EXTEND the Tamano-Bone Spring Pool in Eddy County, New Mexico, to include:
TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 23: SE/4
- (q) EXTEND the North Turkey Track-Morrow Gas Pool in Eddy County, New Mexico, to include:
TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 20: W/2
- (r) EXTEND the Winchester-Atoka Gas Pool in Eddy County, New Mexico, to include:
TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 35: S/2

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 16, 2000

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 9-00 and 10-00 are tentatively set for April 6 and April 20, 2000. 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 12353: Application of Southwestern Energy Production Company 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 10, Township 17 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 the Undesignated South Shoe Bar-Atoka Gas Pool, the Undesignated South Shoe Bar-Morrow Gas Pool, and the Undesignated South Shoe Bar-Mississippian Gas Pool. The unit is to be dedicated to its South Shoe Bar "10" State Com. Well No. 4 to be drilled at an orthodox location in the NE/4 NW/4 of Section 10. 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 risk involved in drilling and completing the well. The unit is located approximately 8 ½ miles southwest of Lovington, New Mexico.

CASE 12354: Application of Southwestern Energy Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the S/2 of Section 25, Township 22 South, Range 34 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. The unit is to be dedicated to its Tin Cup "25" State Com. Well No. 1 to be drilled at an orthodox location in the SW/4 SW/4 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, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 13 ½ miles southwest of Oil Center, New Mexico.

CASE 12348: Continued from March 2, 2000, Examiner Hearing.

Application of David H. Arrington, Oil & Gas, Inc. for an Unorthodox Injection Well Location, approval of its Mayfly "14" State Leasehold Pressure Maintenance Project, and to Qualify this Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its gas injection pressure maintenance project within the Strawn formation of the North Shoe Bar-Strawn Pool to be located within the NE/4 of Section 14, Township 16 South, Range 35 East, to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (Sections 7-29/A-1 through 7-29A-5, NMSA 1978). Applicant also seeks approval to drill its injection well at an unorthodox well location 535 feet from the North line and 2300 feet from the East line and of this section. This project is located approximately 4 miles southeast of Lovington, New Mexico.

CASE 12355: Application of Matador E & P Company to establish infill well procedures and to amend well location requirements for the Red Hills-Wolfcamp Gas Pool or, in the alternative, for simultaneous dedication, Lea County, New Mexico. Applicant seeks an order amending the Special Rules and Regulations of the Red Hills-Wolfcamp Gas Pool as follows: (a) amend Rule 2 to provide that a second well be drilled within a standard 640-acre spacing unit but on a governmental quarter section not containing a first well and (b) amend Rule 4 to conform the well location rules to Division Rule 104.C(2). In the alternative, applicant seeks the simultaneous dedication of the Red Hills Unit Well No. 2 located in Unit B and the Red Hills Unit Well No. 3 in Unit K of Section 5, Township 26 South, Range 33 East, to a standard 640-acre gas spacing unit consisting of this section. This pool is located approximately 21 ½ miles west of Jal, New Mexico.

CASE 12356: Application of Phillips Petroleum Company for approval of six non-standard gas spacing and proration units and an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks the approval of six non-standard gas spacing and proration units within the 32-7 Unit to be dedicated to any production from the Pictured Cliffs formation of the South Pinos-Pictured Cliffs Gas Pool, the units to be configured from all or portions of Irregular Sections 4, 5, 6, and 7, Township 31 North, Range 7 West. These proposed units are made necessary as a result of variations in the legal subdivision of the United State Public Land Survey and are configured to be compatible with the non-standard gas spacing and proration units which have been approved for the Basin Dakota Gas Pool, the Blanco-Mesaverde Gas Pool and the Basin-Fruitland Coal Gas Pool. In addition, the applicant seeks approval for the recompletion of the San Juan 32-7 Unit Well No. 18 from the Mesaverde formation to a Pictured Cliffs formation gas well at an unorthodox location 2225 feet from the South line and 400 feet from the East line of Irregular Section 5 to be dedicated to a standard 160-acre spacing unit consisting of the SE/4 of this section. These units are located approximately 6 miles south-southeast of the intersection of New Mexico State Highway 511 and the borders of the States of New Mexico and Colorado. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12336: Reopened

Application of Yates Petroleum Corporation approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Shinnery State Unit for an area comprising 2400 acres of State lands in Section 32, Township 9 South, Range 34 East, and Sections 5, 8 and 9, Township 10 South, Range 34 East, which is located approximately 5 miles southwest of Crossroads, New Mexico.

Examiner Hearing – March 16, 2000

Docket No. 08-00

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CASE 12329: Continued from March 2, 2000, Examiner Hearing.

Application of EOG Resources, Inc. for a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of a unit agreement for its proposed Red Hills North Unit Area containing 3478.30 acres, more or less, of Federal and State lands comprising all or portions of Sections 6, 7, 8, 17 and 18, Township 25 South, Range 34 East, and all or portions of Sections 1, 12 and 13, Township 25 South, Range 33 East. The unit area is located approximately 19 miles west by north of Jal, New Mexico.

CASE 12357: **Application of Clayton Williams Energy, Inc. for salt water disposal, Eddy County, New Mexico.** Applicant seeks approval to inject salt water produced as a result of hydrocarbon production into the plugged and abandoned New Mexico "EO" State Com Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 20, Township 17 South, Range 29 East, which is located approximately 6.2 miles west of Loco Hills, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12358: **Application of Marbob Energy Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Atoka and Morrow formations underlying the S/2 of Section 15, Township 17 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit for both the South Shoe Barr-Atoka Gas Pool and the Undesignated North Vacuum-Atoka-Morrow Gas Pool. This unit is to be dedicated to the applicant's proposed Giles State Com. Well No. 1 (**API No. 30-025-34939**) to be drilled at a standard gas well location in the NE/4 SE/4 (Unit I) of Section 15. 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 risk involved in drilling the well. The area is located approximately 9.5 miles southwest of Lovington, New Mexico.

CASE 12359: **Application of Marbob Energy Corporation for compulsory pooling, Eddy County, New Mexico** Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the E/2 of Section 16, Township 18 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extend., including the Undesignated Red Lake-Pennsylvanian Gas Pool, Undesignated East Red Lake-Upper Pennsylvanian Gas Pool, Undesignated Scoggin Draw-Strawn Gas Pool, and Red Lake-Atoka-Morrow Gas Pool. This unit is to be dedicated to its proposed Scoggin Draw State "C" Com Well No. 2 (**API No. 30-015-30966**) to be drilled at a standard gas well in the NW/4 NE/4 (Unit B) of Section 16. The Red Lake-Atoka-Morrow Gas Pool underlying the E/2 of Section 16 is currently dedicated to Marbob Energy Corporation's Scoggin Draw State "C" Com. Well No. 1 (**API No. 30-015-26223**) located at a standard gas well location 1980 feet from the South and East lines (Unit J) of Section 16, which was the subject of a Division forced pooling order issued in 1989 (see Division Order No. R-9071.) Also to be considered will be the cost of drilling and completing the Scoggin Draw State "C" Com. Well No. 2 and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in drilling this well. This unit is located approximately six miles south of Riverside, New Mexico.

CASE 11826: **Reopened**

Application of Quay Valley, Inc. to reopen Case No. 11826 and for amendment of Division Order Nos. R-4629 and R-4629-A to authorize a tertiary recovery project by the injection of microemulsion in its North El Mar-Delaware Unit Waterflood Project Area, and to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a tertiary recovery project in its North El Mar Unit Waterflood Project Area by the injection of microemulsion into the Delaware formation in the El Mar-Delaware Pool. The El Mar-Delaware Unit Waterflood Project Area encompasses portions of Sections 24, 25, 26, 27, 34, 35, and 36 of Township 26 South, Range 32 East, and Sections 19, 30, and 31 of Township 26 South, Range 33 East. Applicant also seeks to increase the approved surface injection pressure for microemulsion injection in this project area to 1160 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the New Mexico Enhanced Oil Recovery Act, NMSA 1978, Sections 7-29A-1 through 7-29A-5. The unit is located approximately 26 miles west-southwest of Jal, New Mexico.

CASE 12360: **Application of Doyle Hartman, Oil Operator for rescission and reconsideration of portions of Division Order No. R-9073, as amended, affecting lands in Townships 22 and 23 South, Range 36 East, Lea County, New Mexico.** Applicant seeks rescission and reconsideration of portions of Division Order No. R-9073, as amended, which affects lands and wells in the Jalmat Gas Pool. This area is centered approximately 10 miles northwest of Jal, New Mexico.

CASE 12361: **Application of Doyle Hartman, Oil Operator to limit the number of producing gas wells within an existing 120-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool, Lea County, New Mexico.** Applicant seeks an order limiting the number of producing gas wells within an existing non-standard 120-acre gas spacing and proration unit within the Jalmat Gas Pool (approved by Division Administrative Order NSP-1087, dated March 13, 1978) comprising the W/2 NW/4 and SE/4 NW/4 of Section 32, Township 24 South, Range 37 East, which is located approximately four miles north of Jal, New Mexico. SDX Resources, Inc., as the designated operator of this unit, currently has the authority to simultaneously dedicate Jalmat gas production from the following three wells to this 120-acre unit: (i) the existing State "A-32" Well No. 4 (**API No. 30-025-25845**), located at an unorthodox gas well location 1780 feet from the North line and 1400 feet from the West line (Unit F) of Section 32; (ii) the existing State "A-32" Well No. 5 (**API No. 30-025-34555**), located at a standard gas well location 710 feet from the North line and 660 feet from the West line (Unit D) of Section 32; and (iii) the proposed State "A-32" Well No. 6 (**API No. 30-025-34717**), to be drilled at a standard gas well location 1880 feet from the North line and 760 feet from the West line (Unit E) of Section 32.

CASE 12362: Application of Doyle Hartman, Oil Operator to limit the number of producing gas wells within an existing 159.95-acre non-standard gas spacing and proration unit in the Jalmat Gas Pool, Lea County, New Mexico. Applicant seeks an order limiting the number of producing gas wells within an existing non-standard 159.95-acre gas spacing and proration unit within the Jalmat Gas Pool (approved by Division Administrative Order NSP-358, dated March 10, 1957) comprising Lots 3 and 4 and the S/2 NW/4 (NW/4 equivalent) of Section 5, Township 25 South, Range 37 East, which is located approximately three miles north of Jal, New Mexico. SDX Resources, Inc., as the designated operator of this unit, currently has the authority to simultaneously dedicate Jalmat gas production from the following four wells to this 159.95-acre unit: (i) the existing Wells Federal Well No. 4 (API No. 30-025-11465), located at a standard gas well location 1980 feet from the North and West lines (Unit F) of Section 5; (ii) the existing Wells Federal Well No. 15 (API No. 30-025-28725), located at an unorthodox gas well location [approved by Division Administrative Order NSL-1821 (SD), dated May 17, 1984] 810 feet from the North line and 460 feet from the West line (Lot 4/Unit D) of Section 5; (iii) the proposed Wells Federal Well No. 22 (API No. 30-025-34743), to be drilled at a standard gas well location 660 feet from the North line and 1780 feet from the West line (Lot 3/Unit C) of Section 5; and (iv) the proposed Wells Federal Well No. 23 (API No. 30-025-34744), to be drilled at a standard gas well location 1886 feet from the North line and 758 feet from the West line (Unit E) of Section 5.

CASE 12301: Continued from January 6, 2000, Examiner Hearing.

Application of SDX Resources, Inc. for an unorthodox infill gas well location, Lea County, New Mexico. Applicant seeks an exception to the well location requirements provided within the "Special 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 non-standard 114.41-acre gas spacing and proration unit (approved by Division Order No. R-6245, dated January 16, 1980) comprising Lots 3 and 4 (W/2 SW/4 equivalent) of Section 31, Township 24 South, Range 37 East, and Lot 4 (NE/4 NE/4 equivalent) of Section 6, Township 25 South, Range 37 East, which is located approximately 3.5 miles north by west of Jal, New Mexico. The proposed Jalmat Federal Com. Well No. 2 is to be drilled 1650 feet from the South line and 760 feet from the West line (Lot 3/Unit L) of Section 31. This unit is currently dedicated to SDX Resources, Inc.'s Jalmat Federal Com. Well No. 1 (API No. 30-025-26701) located at an unorthodox gas well location (also approved by Division Order No. R-6245) 590 feet from the North line and 660 feet from the West line (Lot 4/Unit D) of Section 6.

CASE 12302: Continued from January 6, 2000, Examiner Hearing.

Application of SDX Resources, Inc. for an unorthodox infill gas well location, Lea County, New Mexico. Applicant seeks an exception to the well location requirements provided within the "Special 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 non-standard 120-acre gas spacing and proration unit (approved by Division Order No. R-369-A, dated September 28, 1953) comprising the N/2 SW/4 and SW/4 SW/4 of Section 5, Township 25 South, Range 37 East, which is located approximately 3 miles north of Jal, New Mexico. The proposed E. J. Wells Well No. 25 is to be drilled 2180 feet from the South line and 1980 feet from the West line (Unit K) of Section 5. This unit is currently dedicated to SDX Resources, Inc.'s: (i) E. J. Wells Well No. 13 (API No. 30-025-11458), located at a standard gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 5; and (ii) E. J. Wells Well No. 16 (API No. 30-025-28768), located at an unorthodox infill gas well location (approved by Division Administrative Order NSL-1823, dated June 22, 1984) 2310 feet from the South line and 610 feet from the West line (Unit L) of Section 5.

CASE 12303: Continued from January 6, 2000, Examiner Hearing.

Application of Raptor Resources, Inc. for two unorthodox infill gas well locations, Lea County, New Mexico. Applicant seeks exceptions to the well location requirements provided within the "Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, for two unorthodox Jalmat infill gas well locations within an existing non-standard 480-acre gas spacing and proration unit (approved by Division Order No. R-9073, dated December 14, 1989) comprising the N/2 and the SW/4 of Section 9, Township 22 South, Range 36 East, which is located approximately 8 miles west by south of Eunice, New Mexico. The two existing: (i) State "A" A/C-2 Well No 30 (API No. 30-025-08855), located at an unorthodox Jalmat infill gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 9; and (ii) State "A" A/C-2 Well No. 48 (API No. 30-025-08845), located at an unorthodox Jalmat infill gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 9, are currently completed in the South Eunice-Seven Rivers-Queen Pool at standard oil well locations; however, both are to be plugged back and recompleted up-hole into the Jalmat Gas Pool. This unit is currently simultaneously dedicated to the applicant's State "A" A/C-2 Wells No. 1, 4, 29, 38, 40, 57, 63, 67, and 72.

CASE 12304: Continued from January 6, 2000, Examiner Hearing.

Application of Raptor Resources, Inc. for an unorthodox infill gas well location, Lea County, New Mexico. Applicant seeks an exception to the well location requirements provided within the "Special 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 gas spacing and proration unit comprising all of Section 8, Township 22 South, Range 36 East, which is located approximately 8 miles west by south of Eunice, New Mexico. The existing State "A" A/C-2 Well No. 54 (API No. 30-025-08841), located at an unorthodox Jalmat infill gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 8, is currently completed in the South Eunice-Seven Rivers-Queen Pool at a standard oil well location; however, this well is to be plugged back and recompleted up-hole into the Jalmat Gas Pool. This unit is currently simultaneously dedicated to the applicant's State "A" A/C-2 Wells No. 3, 24, 25, 26, 43, and 70.

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 17, 2000

8:15 A.M. - 2040 South Pacheco
Santa Fe, New Mexico

Dockets Nos. 7-00 and 8-00 are tentatively set for March 2 and March 16, 2000. 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 12324: **Readvertised**

Application of Harvey E. Yates Company for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the S/2 NW/4 of Section 8, Township 17 South, Range 38 East to form a standard 80-acre oil spacing and proration unit for any formations and/or pools developed on 80 acre spacing within that vertical extent, including the Undesignated South Humble City- Strawn Pool. The unit is to be dedicated to its Howard DWT Fee Well No. 1, to be located 2310 feet from the North line and 660 feet from the West line (Unit E) of Section 8. 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 thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling the well. The unit is located approximately 3 1/2 miles northwest of Knowles, New Mexico.

CASE 12319 **Continued from February 3, 2000, Examiner Hearing.**

Application of Nearburg Exploration Company, L.L.C. 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 in the following manner: the N/2 for all formations/pools developed on 320-acre spacing including the Logan Draw Morrow Gas Pool, the NE/4 for all formations/pools developed on 160-acre spacing, the S/2 NE/4 for all formations/pools developed on 80-acre spacing, and the SE/4 NE/4 for all formations/pools developed on 40-acre spacing, all in Section 30, Township 17 South, Range 27 East. Applicant proposes to dedicate these pooled units to a well to be drilled at a standard gas well location in the SE/4 NE/4 of Section 30. Also to be considered will be the cost of drilling and completing the well and the actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. The area is located approximately 4 miles southeast of Artesia, New Mexico.

CASE 12342: **Application of Devon Energy Corporation (Nevada) 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 Lots 1, 2, E/2 NW/4, and NE/4 (N/2 equivalent) of Section 30, Township 17 South, Range 27 East to form a standard 319.57-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Logan Draw-Morrow Gas Pool. The unit is to be dedicated to its Logan "30G" Fed. Com. Well No. 1, to be drilled at an orthodox location in the NE/4 of Section 30. 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 the operator of the well and a charge for risk involved in drilling the well. The unit is located approximately 4 miles southeast of Artesia, New Mexico.

CASE 12329: **Continued from January 20, 2000, Commission Hearing.**

Application of EOG Resources, Inc. for a Unit agreement, Lea County, New Mexico. Applicant seeks approval of a unit agreement for its proposed Red Hills North Unit Area containing 4198.20 acres, more or less, of Federal and State lands comprising all or portions of Sections 6, 7, 8, 17 and 18, Township 25 South, Range 34 East, and all or portions of Sections 1, 12 and 13, Township 25 South, Range 33 East. Said unit area is located approximately 19 miles west by north of Jal, New Mexico.

CASE 12343: **Application of John H. Hendrix Corporation for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order pooling all oil and associated casinghead gas formations developed on 40-acre spacing from the base of the Grayburg formation to the base of the Drinkard formation in the NE/4 SW/4 of Section 34, Township 23 South, Range 37 East. The unit is to be dedicated to its Eva Blinebry "B" Well No. 1, to be drilled at a standard location in the NE/4 SW/4 of Section 34 to a depth of approximately 6,400 feet to test all formations from the base of the Grayburg formation to the base of the Drinkard formation, Teague-Paddock-Blinebry Pool and the Undesignated Imperial Tubb-Drinkard Pool. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. The well is located approximately 12 miles south of Eunice, New Mexico.

CASE 12272: **Continued from January 20, 2000, Examiner Hearing.**

Application of Falcon Creek Resources, Inc. for authority to inject water into six wells in the proposed Teas-Yates Seven Rivers Unit Waterflood Project Area, Lea County, New Mexico. Applicant seeks approval to inject water into the Yates and Seven Rivers formations, West Teas-Yates Seven Rivers Pool, through 6 wells in its proposed Teas-Yates Seven Rivers Unit Waterflood Seven Rivers Pool, located in the following area:

Township 20 South, Range 33 East:

Section 4: SE/4

Section 9: N/2

Section 16: NE/4

This area is located approximately 5 miles northeast of the intersection of New Mexico Highways 176 and 62/180.

CASE 12331: Continued from January 20, 2000, Examiner Hearing.

Application of Falcon Creek Resources, Inc. for Statutory Unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interested in the Yates and Seven Rivers formations, West Teas (Yates-Seven Rivers) Pool, underlying 1,320 acres, more or less, of Federal, State and Fee lands in the following acreage:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 4: SE/4

Section 9: S/2, NE4, S/2 NW/4, NE/4 NW/4

Section 16: N/2, N/2 SW/4, NW/4 SE4

Section 17: E/2 NE4, NE/4 SE/4

Said unit to be designated to the West Teas (Yates-Seven Rivers) Unit. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any non-consenting working interest owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. The unit area is located approximately 30 miles west by southwest of Hobbs, New Mexico.

CASE 12332: Continued from January 20, 2000, Examiner Hearing.

Application of Falcon Creek Resources, Inc. for Approval of a Waterflood Project for its West Teas (Yates-Seven Rivers) Unit Area and Qualification of Project for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks an order approval of its West Teas (Yates-Seven Rivers) Unit Waterflood Project for injection of water in the Yates and Seven Rivers formations, West Teas-Yates Seven Rivers Pool through six injection wells located in the following described area:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 4: SE/4

Section 9: S/2, NE4, S/2 NW/4, NE/4 NW/4

Section 16: N/2, N/2 SW/4, NW/4 SE4

Section 17: E/2 NE4, NE/4 SE/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for the waterflood operations. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). The unit is located approximately 30 miles west by southwest of Hobbs, New Mexico.

CASE 12086: Consolidated – Continued from January 20, 2000, Examiner Hearing.

Application of Yates Petroleum Corporation and Hanley Petroleum Inc. for allowable reduction and the escrow of production proceeds, Lea County, New Mexico. Applicants seek an order (1) reducing the depth bracket allowable for wells in the West Lovington-Strawn Pool to a level that will only permit operators to avoid lease terminations for failure of wells to produce in paying quantities; (2) providing for termination of the reduced depth bracket allowable for the pool when the West Lovington Strawn Unit is expanded to protect the correlative rights of each owner in the pool pursuant to a ratified statutory unitization order of the Oil Conservation Commission; and (3) requiring Gillespie-Crow, Inc. to escrow all payments received for production from the unit, and less payments for royalties and taxes thereon, from the date of the order until the unit has been expanded pursuant to a ratified statutory unitization order of the Commission to include all lands affected by the pressure maintenance project being conducted in the pool. The unit is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

CASE 12086: Consolidated - Continued from January 20, 2000, Examiner Hearing.

Application of Energen Resources Corporation for allowable reduction and the escrow of production proceeds, Lea County, New Mexico. Applicants seek an order (1) reducing the depth bracket allowable for wells in the West Lovington-Strawn Pool to a level that will only permit operators to avoid lease terminations for failure of wells to produce in paying quantities; (2) providing for termination of the reduced depth bracket allowable for the pool when the West Lovington Strawn Unit is expanded to protect the correlative rights of each owner in the pool pursuant to a ratified statutory unitization order of the Oil Conservation Commission; and (3) requiring Gillespie-Crow, Inc. to escrow all payments received for production from the unit, and Snyder "C" Well No. 4, and the Snyder "EC" Com Well No. 1, less payments for royalties and taxes thereon, from the date of the order until the unit has been expanded pursuant to a ratified statutory unitization order of the Commission to include all lands affected by the pressure maintenance project being conducted in the pool. The unit is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

CASE 12290: Continued from January 20, 2000, Examiner Hearing.

Application of Burlington Resources Oil & Gas Company to amend the Special Rules and Regulations for the Basin-Dakota Gas Pool for purposes of changing well location requirements for Dakota Wells, Rio Arriba and San Juan Counties, New Mexico. Applicant seeks to amend Rule 2(d) of the Special Rules and Regulations for the Basin-Dakota Gas Pool set forth in Division Order No. R-8170, as amended, in order to: (a) change the initial and infill well location boundary requirements to not closer than 660 feet to any outer boundary of a gas proration and spacing unit and to not closer than 10 feet to any quarter-quarter section line or subdivision inner boundary; (b) delete the 920 foot minimum distance between wells; and (c) add well location requirements for federal exploratory units.

CASE 12344: **Application of Oil Conservation Division for an order requiring Nerdlihc Company Inc. to plug thirteen (13) wells in McKinley County, New Mexico.** Applicant seeks an order requiring Nerdlihc Company, Inc. and all other interested parties to appear and show cause why: (i) Nerdlihc should not be ordered to properly plug thirteen wells located in McKinley County, New Mexico, (ii) the Division should not be authorized to plug these wells if Nerdlihc does not, and foreclose on the plugging bond and recover the plugging costs in excess of the plugging bond, if any, from Nerdlihc, and (iii) fines should not be imposed on Nerdlihc for failure to plug these wells. The location of these wells is centered approximately 8 miles south-southwest of Hospah, New Mexico.

CASE 12345: **Application of Oil Conservation Division for an order requiring A.P.A. Development Inc. to plug three (3) wells in San Juan County, New Mexico.** Applicant seeks an order requiring A.P.A. Development Inc. and all other interested parties to appear and show cause why: (i) A.P.A. should not be ordered to properly plug three wells located in San Juan County, New Mexico, (ii) the Division should not be authorized to plug these wells if A.P.A. does not, and foreclose on the plugging bond(s), and recover the plugging costs in excess of the plugging bond(s), if any, from A.P.A., and (iii) fines should not be imposed on A.P.A. for failure to plug these wells. The location of these wells is centered approximately 13 miles south-southwest of Nageesi, New Mexico.

CASE 12315: Continued from December 16, 1999, Examiner Hearing.

Application of Oil Conservation Division for an order requiring Avra Oil Company to clean up and/or close a site containing oil and gas contamination, Lea County, New Mexico. Application of the Oil Conservation Division for a show cause hearing requiring Avra Oil Company to appear and show cause why the Division should not: (1) order Avra's pit and other facilities located in Unit G of Section 11, Township 18 South, Range 38 East, cleaned up and/or closed in accordance with Division requirements; (2) clean up and/or close the site if Avra does not and assess the costs against Avra; (3) declare Avra's \$50,000 blanket bond forfeited, foreclose on that bond and collect any costs in excess of the bond from Avra; (4) revoke Avra's authorization to operate; and (5) assess penalties against Avra for failure to properly clean up and/or close the site. The site is located approximately 13 miles east of Lovington, New Mexico.

DOCKET: COMMISSION HEARING – FRIDAY – FEBRUARY 25, 2000

9:00 A.M. - OCD Hearing Room
2040 S. Pacheco
Santa Fe, New Mexico

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

The minutes of the January 21, 2000, 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.

The Commission will close the meeting to discuss the following cases:

CASE 11996: Application of Pendragon Energy Partners, Inc. and J. K. Edwards Associates, Inc. to confirm production from the appropriate common source of supply, San Juan County, New Mexico.

CASE 12033: Application of Public Service Company of New Mexico for review of Oil Conservation Division directive dated March 13, 1998 directing applicant to perform additional remediation for hydrocarbon contamination, San Juan County, New Mexico.

CASE 12333: Continued from January 21, 2000, Commission Hearing.

Application of New Mexico Oil Conservation Division to Amend Division Rules 103 and 202. Application of the New Mexico Oil Conservation Division to amend Rule 103 to require that: (i) signs also be placed on well-related facilities, (ii) signs remain in place until the well and facilities are closed, and (iii) signs be replaced within 90 days after a new operator takes over the well and related facilities and Rule 202 to (i) prohibit the building of permanent structures over P&A wells, (ii) prohibit the removal of P&A markers without Division approval, and (iii) regulate below ground P&A markers. The proposed rule changes are posted on the internet at www.emnrd.state.nm.us/ocd.

CASE 12346: **Application of the Oil Conservation Division to Amend Rule 303.C through 303.H (19 NMAC 15.E.303)** The Division's downhole commingling workgroup will report to the Commission its recommendations for amendments to the Division's rules governing downhole commingling. This matter will then be continued to a subsequent Commission hearing at which time the Commission will hear public comment and testimony. The workgroup's recommended draft rule may be accessed on the internet at the Division's website at: www.emnrd.state.nm.us/ocd.

CASE 12347: The Oil Conservation Division is calling a hearing to consider proposed April, 2000 – September, 2000 gas allowables for the prorated gas pools in New Mexico. Allowable assignment factors are being distributed with an OCD Memorandum dated February 4, 2000. If requests for changes are not received at the February 25, 2000 hearing, these factors will be used to assign allowables for the April - September period.

CASE 12148: De Novo - Continued from January 21, 2000, Commission Hearing.

Application of The Wiser Oil Company to qualify the Skelly Unit Area Waterflood Expansion Project for the Recovered Oil Tax Rate, Eddy County, New Mexico. Applicant seeks to qualify the Skelly Unit Area Waterflood Expansion Project (Grayburg-Jackson Pool) for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (Sections 7-29A-1 through 7-29A-5, NMSA 1978). The unit area covers all or part of Sections 13, 14, 21-23, and 26-28, Township 17 South, Range 31 East. The unit area is centered approximately 1 mile east-northeast of the intersection of U.S. Highway 82 and State Highway 529. Upon application of The Wiser Oil Company, this case will be heard De Novo pursuant to the of Rule 1220.

CASE 12149: De Novo - Continued from January 21, 2000, Commission Hearing.

Application of The Wiser Oil Company to qualify the State "D" Lease Waterflood Expansion Project for the recovered oil tax rate, Eddy County, New Mexico. Applicant seeks to qualify the State "D" Lease Waterflood Expansion Project (Grayburg-Jackson Pool) covering part of Section 26, Township 17 South, Range 31 East, for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (Sections 7-29A-1 through 7-29A-5, NMSA 1978). The lease is located approximately 2 miles east-southeast of the intersection of U.S. Highway 82 and State Highway 529. Upon application of The Wiser Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 12150: De Novo - Continued from January 21, 2000, Commission Hearing.

Application of The Wiser Oil Company to qualify the State "AZ" Lease Waterflood Expansion Project for the recovered oil tax rate, Eddy County, New Mexico. Applicant seeks to qualify the State "AZ" Lease Waterflood Expansion Project (Grayburg-Jackson Pool), covering the SW/4 SW/4 of Section 16, Township 17 South, Range 31 East, for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act (Sections 7-29A-1 through 7-29A-5, NMSA 1978). The lease is located approximately 1 mile north-northwest of the intersection of U.S. Highway 82 and State Highway 529. Upon application of The Wiser Oil Company, this case will be heard De Novo pursuant to the provisions of Rule 1220

CASE 12299: De Novo

Application of Redwolf Production, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the following described acreage in Section 36, Township 26 North, Range 13 West, in the following manner: (a) the N/2 for all formations and/or pools developed on 320-acre spacing within that vertical extent including the Basin-Fruitland Coal Gas Pool; (b) the NE/4 for all formations and/or pools developed on 160-acre spacing within that vertical extent including the Undesignated WAW-Fruitland Sand-Pictured Cliffs Pool; and (c) the NE/4 NE/4 for all formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to its Bear Well No. 1 to be drilled at a standard location in the NE/4 NE/4 (Unit A) of Section 36. 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 Redwolf Production, Inc. Company as operator of the well and a charge for risk involved in drilling and completing the well. The area is located approximately 16 miles southwest of Farmington, New Mexico. Upon application of Maralex Resources, Inc. this case will be heard De Novo pursuant to the provisions of Rule 1220.

NOTICE

Notice is hereby given that pursuant to the New Mexico Oil Conservation Division Regulations, the following application has been submitted to the Director of the Oil Conservation Division, 2040 S. Pacheco, Santa Fe, New Mexico 87505, Telephone (505) 827-7131:

South Monument Surface Waste Facility L.L.C., Operator, Kena Kay Cooper, 834 W. Gold, Hobbs, New Mexico, 88240, has submitted for approval an application to construct and operate a Rule 711 commercial landfarm soils remediation facility located in the SW/4 Section 25, Township 20 South, Range 36 East, N.M.P.M., Lea County, New Mexico. Hydrocarbon contaminated soils associated with oil and gas production operations will be remediated by spreading them on the ground surface in 6 inch lifts or less and periodically disking them to enhance biodegradation of contaminants. The permit application addresses the construction, operations, spill/leak prevention and monitoring procedures to be incorporated at the proposed site.

Any interested person may obtain further information from the Oil Conservation Division and may submit written comments to the Director of the Oil Conservation Division at the address given above. The application may be viewed at the above address or at or at the Hobbs district office at 1625 N. French Drive, Hobbs, New Mexico between 8:00 a.m. and 4:00 p.m., Monday thru Friday. Prior to ruling on any proposed application, the Director of the Oil Conservation Division shall allow at least thirty (30) days after the date of publication of this notice during which comments may be submitted and public hearing may be requested by any interested person. Request for public hearing shall set forth the reasons why a hearing shall be held. A hearing will be held if the director determines that there is significant public interest.

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 20, 2000

8:15 A.M. - 2040 South Pacheco
Santa Fe, New Mexico

Dockets Nos. 4-00 and 5-00 are tentatively set for February 3 and February 17, 2000. 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 12322: **Application of Home-Stake Oil & Gas Company for an Increase in the Depth Bracket Allowable for the South McCormack-Silurian Pool, Lea County, New Mexico.** Applicant seeks an order approving special pool rules for the South McCormack-Silurian Pool, including an increased depth bracket allowable of 230 barrels of oil per day. The pool covers portions of Sections 16, 21, and 22, Township 22 South, Range 37 East, and is centered approximately 3 1/2 miles south of Eunice, New Mexico.

CASE 12323: **Application of Ocean Energy Resources, Inc. for a Non-Standard Subsurface Gas Well Location/Producing Area, Lea County, New Mexico.** Applicant, in accordance with Division Rules 104.F and 111.C (2), seeks approval for a non-standard subsurface gas well location/producing area for both the Undesignated North Shoe Bar-Atoka Gas Pool and the Morrow formation in either the Undesignated North Shoe Bar-Morrow Gas Pool or the Undesignated Townsend-Morrow Gas Pool within a standard 320-acre gas spacing and proration unit for both intervals comprising Lots 11, 12, 13, and 14 and the SW/4 of irregular Section 3, Township 16 South, Range 35 East, (which is located approximately 25 miles west by north of Carlsbad, New Mexico). The applicant seeks to re-enter the plugged and abandoned Bridge Oil Company, L. P.'s Chevron State Well No. 1 (API No. 30-025-31102), to be renamed the Panther Martin State Com. Well No. 1, located on the surface at a standard gas well location 2310 feet from the South line and 1650 feet from the West line (Unit S) of Section 3, and directionally drill to an approximate depth of 12,657 feet at a targeted unorthodox subsurface gas well location 2040 feet from the South line and 2280 feet from the West line (Unit S) of Section 3.

CASE 12324: **Application of Harvey E. Yates Company for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the SW/4 NW/4 (Unit E) of Section 8, Township 17 South, Range 38 East to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40 acres spacing within that vertical extent. This unit is to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing the well and the actual operating costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. The unit is located approximately 3 1/2 miles northwest of Knowles, New Mexico.

CASE 12257: **Continued from January 6, 2000, Examiner Hearing.**

Application of E.G.L. 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 Yates formation underlying the NW/4 of Section 23, Township 20 South, Range 28 East to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent, including the Russell-Lower Yates Gas Pool. This unit is to be dedicated to a well to be drilled at a standard gas well location thereon. 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 the operator of the well, and a charge for risk involved in drilling and completing the well. The unit is located approximately 11 miles north-northeast of Carlsbad, New Mexico.

CASE 12237: **Continued from January 6, 2000, Examiner Hearing.**

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 Bone Spring formation to the base of the Morrow formation underlying the W/2 of Section 8, Township 18 South, Range 31 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within this vertical extent, including the Undesignated North Shugart-Atoka Gas Pool and Undesignated North Shugart-Morrow Gas Pool. The unit is to be dedicated to its Fren "8" Fed. Com. Well No. 1, located at an orthodox gas well location in the NW/4 of Section 8. 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 the operator of the well, and a charge for risk involved in drilling and completing the well. The unit is located approximately 6 1/2 miles southeast of Loco Hills, New Mexico.

CASE 12308: **Continued from January 6, 2000, Examiner Hearing.**

Application of Pogo Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco Canyon formation underlying the following described acreage in Section 18, Township 20 South, Range 25 East, in the following manner: (a) Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) to form a standard 319.20-acre spacing and proration unit for any formations and/or pools developed on 320-acre spacing within this vertical extent, including the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool; and (b) the SE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within this vertical extent. Both units are to be dedicated to its plugged and abandoned W. W. Buchanan Osage Com. Well No. 1 (API No. 30-015-21451), located 1830 feet from the South line and 1980 feet from the East line (Unit J) of Section 18. Also to be considered will be the cost of re-entry, completing, and equipping the well as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a charge for risk involved in the re-entry of this wellbore. The units are located approximately 6 miles west-southwest of Seven Rivers, New Mexico

CASE 12325: **Application of Chesapeake Operating Inc. for Compulsory Pooling and an Unorthodox Subsurface Location, Lea 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 17, Township 16 South, Range 36 East, in the following manner: the S/2 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 West Lovington Pennsylvanian Gas Pool; the SW/4 for form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within that vertical extent, including the North Shoe Bar-Wolfcamp Gas Pool, and the S/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within that vertical extent, including the Northeast Show Bar-Strawn Pool. The unit(s) is to be dedicated to its College of Southwest "15" Well No. 1 which was drilled as a directional wellbore at total depth in the Morrow formation which is at an unorthodox subsurface location 580 feet from the South line and 1085 feet from the West line of this section. Also to be considered will be the costs of drilling and completing the well and the actual operating costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. The unit is located approximately 3 miles south of the center of the City of Lovington, New Mexico.

CASE 12326: **Application of Chesapeake Operating Inc. for Compulsory Pooling, Lea 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 15, Township 16 South, Range 35 East, in the following manner: the E/2 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 North Shoe Bar-Atoka Gas Pool; the NE/4 for form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within that vertical extent, including the North Shoe Bar-Wolfcamp Gas Pool; the E/2 NE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within that vertical extent; and the NE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre oil spacing within that vertical extent including the Townsend Permo Upper Pennsylvanian Pool. This unit(s) is to be dedicated to its Boyce "15" Well No. 1 which will be located at a standard location within Unit A of this section. Also to be considered will be the costs of drilling and completing the well and the actual operating costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. The unit is located approximately 5 1/2 miles southwest of the center of the City of Lovington, New Mexico.

CASE 12327: **Application of OXY USA, Inc. to Rescind Division Order No. R-4638 which adopted the Special Pool Rules for the West Parkway-Strawn Gas Pool and the West Parkway-Atoka Gas Pool, or in the alternative, for an Unorthodox Gas Well Location, Eddy County, New Mexico.** Applicant seeks an order rescinding the special pool order for the West Parkway-Atoka Gas Pool and the West Parkway-Strawn Gas Pool so that all existing and future wells and their respective spacing and proration units which are now subject to this order will be governed by the provisions of Division General Rules including Rule 104. In the alternative, applicant seeks an unorthodox well location in both of these pools for its Pearl Well No. 2 (API No. 30-015-30851), which is a well being drilled to the Morrow formation at a standard gas well location 860 feet from the North line and 660 feet from the East line of Section 32, Township 19 South, Range 29 East, and to be dedicated to the E/2 of this section. The current boundaries of these pools includes all or portions of Sections 21, 27, 28 29, 30 and 34, Township 19 South, Range 29 East. These pools are located approximately 7 miles north from the intersection of State Highway No. 31 and US Highway No. 180, New Mexico.

CASE 12276: **Continued from December 16, 1999, Examiner Hearing.**

Application of Burlington Resources Oil & Gas Company for Compulsory Pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Mesaverde formation and the Chacra formation underlying the following described acreage within Section 36, Township 27 North, Range 8 West, in the following manner: (i) a 320-acre gas spacing unit consisting of the W/2 of this section for gas production from the Blanco-Mesaverde Gas Pool to be dedicated to the proposed Brookhaven Com Well No. 8 to be located in the NW/4 and to the Brookhaven Com Well No. 8-A to be located in the SW/4 of this section; (ii) for a standard 160-acre gas spacing unit consisting of the NW/4 of this section for gas production from the Otero-Chacra Gas Pool to be dedicated to the Brookhaven Com Well No. 8; and (iii) for a standard 160-acre gas spacing unit consisting of the SW/4 of this section for gas production from the Otero-Chacra Gas Pool to be dedicated to the Brookhaven Com Well No. 8-A. The units are to be dedicated to Burlington Resources Oil & Gas Company's Brookhaven Com Wells No. 8 and 8-A which are to be drilled as dual completions at standard gas well locations within these quarter sections. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the wells, and a charge for risk involved in drilling and completing the wells. The wells are located approximately 15 miles northeast of the El Huerfano Trading Post on New Mexico State Highway 44.

CASE 12277: **Continued from December 16, 1999, Examiner Hearing.**

Application of Burlington Resources Oil & Gas Company for Compulsory Pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Mesaverde formation within the E/2 of Section 16, Township 31 North, Range 11 West for a 320-acre gas spacing unit consisting of the E/2 of this section for gas production from the Blanco-Mesaverde Gas Pool to be dedicated to the proposed Brookhaven Com B Well No. 3B to be located in the NE/4 SE/4 of Section 16. 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 the operator of the well, and a charge for risk involved in drilling and completing the well. The unit is located approximately 5 miles north of Aztec, New Mexico

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CASE 12296: Continued from December 2, 1999 Examiner Hearing

Application of Burlington Resources Oil & Gas Company to amend Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool for purposes of changing well location requirements for coal gas wells, San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico. Applicant seeks to amend Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool to (a) change the well location boundary requirements from not closer than 790 feet to not closer than 660 feet to any outer boundary of a spacing unit and from not closer than 130 feet to not closer than 10 feet to any quarter-quarter section line or subdivision inner boundary; and (b) to add well location requirements for federal exploratory units.

CASE 12328: **Application of John L. Cox for an Unorthodox Oil Well Location, Lea County, New Mexico.** Applicant seeks an exception to Division Rule 104.B (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999, to drill its State "14-A" Well No. 1 at an unorthodox Pennsylvanian oil well location 1330 feet from the North line and 2530 feet from the East line (Unit G) of Section 14, Township 12 South, Range 33 East. The SE/4 NE/4 of Section 14 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the Undesignated Bagley-Pennsylvanian Pool. This unit is located approximately 16 miles west of Tatum, New Mexico.

CASE 12003: Reopened - Continued from December 16, 1999 Examiner Hearing

In the matter of Case 12003 being reopened pursuant to the provisions of Division Order No. R-11053-A, which order established temporary special rules and regulations for the Featherstone-Bone Spring Pool in Lea County, New Mexico, including a provision for 80-acre spacing units. Operators in the Featherstone-Bone Spring Pool may appear and show cause why the temporary special rules for the pool should not be rescinded.

CASE 12319 Continued from January 6, 2000 Examiner Hearing

Application of Nearburg Exploration Company, L.L.C. 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 in the following manner: the N/2 for all formations/pools developed on 320-acre spacing including the Logan Draw Morrow Gas Pool, the NE/4 for all formations/pools developed on 160-acre spacing, the S/2 NE/4 for all formations/pools developed on 80-acre spacing, and the SE/4 NE/4 for all formations/pools developed on 40-acre spacing, all in Section 30, Township 17 South, Range 27 East. Applicant proposes to dedicate these pooled units to a well to be drilled at a standard gas well location in the SE/4 NE/4 of Section 30. Also to be considered will be the cost of drilling and completing the well and the actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. The area is located approximately 4 miles southeast of Artesia, New Mexico.

CASE 12285: Continued from January 6, 2000, Examiner Hearing.

Application of Nearburg Exploration, Company, LLC. for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 for all formations developed on 320-acre spacing including but not limited to the Undesignated San Simon Wolfcamp Gas Pool, the NW/4 for all formations developed on 160-acre spacing, the N/2 NW/4 for all formations developed on 80-acre spacing, and the NW/4 NW/4 for all formations developed on 40-acre spacing, all in Section 17, Township 22 South, Range 35 East. Applicant proposes to dedicate these pooled units to a well to be drilled at a standard gas well in the NW/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 Nearburg Producing Company as operator of the well, and a charge for risk involved in drilling and completing the well. The area is located approximately 10.5 miles southwest of Oil Center, New Mexico.

CASE 12329: **Application of EOG Resources, Inc. for a Unit agreement, Lea County, New Mexico.** Applicant seeks approval of a unit agreement for its proposed Red Hills North Unit Area containing 4198.20 acres, more or less, of Federal and State lands comprising all or portions of Sections 6, 7, 8, 17 and 18, Township 25 South, Range 34 East, and all or portions of Sections 1, 12 and 13, Township 25 South, Range 33 East. Said unit area is located approximately 19 miles west by north of Jal, New Mexico.

CASE 12330: **Application of Ameristate Oil and Gas, Inc. for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the top of the Mississippian formation or 12,900 feet, whichever is lesser, in the E/2 for all formations developed on 320-acre spacing including but not limited to the Undesignated South Shoe-Bar-Mississippian Gas Pool, the NE/4 for all formations developed on 160-acre spacing, the N/2 NE/4 for all formations developed on 80-acre spacing, and the NE/4 NE/4 for all formations developed on 40-acre spacing including but not limited to the Undesignated West Lovington-Upper San Andres Pool, the Undesignated Vacuum Grayburg-San Andres Pool, and the Undesignated Vacuum Abo Reef Pool, all in Section 13, Township 17 South, Range 35 East. Applicant proposed to dedicate these pooled units to its State 13 Well No. 1 to be drilled at a standard gas well in the NE/4 NE/4 of Section 13. Also to be considered will be the cost of drilling and completing the well and the actual operating cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling the well. The area is located approximately 9 miles southwest of Lovington, New Mexico.

CASE 12313: Continued from December 16, 1999 Examiner Hearing

Application of David H. Arrington Oil & Gas, Inc. for compulsory pooling and directional drilling of a horizontal well, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation, Northeast Lovington-Pennsylvanian Pool, underlying the following described acreage in Section 10, Township 16 South, Range 37 East in the following manner: (a) the NW/4 SW/4 for any formations and/or pools developed on 40-acre spacing and (b) the SW/4 in order to form a 160-acre Project Area, as defined by Division Rule 111.A(9), by combining two standard 80-acre oil spacing and proration units in order to accommodate a horizontally drilled wellbore. The applicant proposes to vertically drill its H & L Variance "10" Well No. 1 at a surface location 2130 feet from the South line and 330 feet from the West line (Unit L) of Section 10 to an approximate depth of 11,600 feet, kick-off, and then drill horizontally in an easterly direction a lateral distance of 1400 feet through the Strawn formation. The applicable drilling window or producing area [see Division Rule 111.A(7)] for the proposed wellbore is to be standard for any 40-acre unit and 80-acre units per the outer setback requirements for 80-acre units in the subject pool. Also to be considered will be the cost of drilling and completing this wellbore and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling and completing the well. The location of the proposed well is approximately six miles east of Lovington, New Mexico.

CASE 12272: Continued from December 16, 1999, Examiner Hearing.

Application of Falcon Creek Resources, Inc. for authority to inject water into six wells in the proposed Teas-Yates Seven Rivers Unit Waterflood Project Area, Lea County, New Mexico. Applicant seeks approval to inject water into the Yates and Seven Rivers formations, West Teas-Yates Seven Rivers Pool, through 6 wells in its proposed Teas-Yates Seven Rivers Unit Waterflood Seven Rivers Pool, located in the following area:

Township 20 South, Range 33 East:

Section 4: SE/4

Section 9: N/2

Section 16: NE/4

This area is located approximately 5 miles northeast of the intersection of New Mexico Highways 176 and 62/180.

CASE 12331: **Application of Falcon Creek Resources, Inc. for Statutory Unitization, Lea County, New Mexico.** Applicant seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interested in the Yates and Seven Rivers formations, West Teas (Yates-Seven Rivers) Pool, underlying 1,320 acres, more or less, of Federal, State and Fee lands in the following acreage:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 4: SE/4

Section 9: S/2, NE4, S/2 NW/4, NE/4 NW/4

Section 16: N/2, N/2 SW/4, NW/4 SE4

Section 17: E/2 NE4, NE/4 SE/4

Said unit to be designated to the West Teas (Yates-Seven Rivers) Unit. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation of horizontal and vertical limits of the unit area; the determination of the fair, reasonable; and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any non-consenting working interest owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. The unit area is located approximately 30 miles west by southwest of Hobbs, New Mexico.

CASE 12332: **Application of Falcon Creek Resources, Inc. for Approval of a Waterflood Project for its West Teas (Yates-Seven Rivers) Unit Area and Qualification of Project for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.** Applicant seeks an order approval of its West Teas (Yates-Seven Rivers) Unit Waterflood Project for injection of water in the Yates and Seven Rivers formations, West Teas-Yates Seven Rivers Pool through six injection wells located in the following described area:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 4: SE/4

Section 9: S/2, NE4, S/2 NW/4, NE/4 NW/4

Section 16: N/2, N/2 SW/4, NW/4 SE4

Section 17: E/2 NE4, NE/4 SE/4