

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 15, 2001

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

Santa Fe, New Mexico

Docket Nos. 38-01 and 39-01 are tentatively set for December 6, 2001 and December 20, 2001. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 12753: Continued from November 1, 2001, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W/2 of Section 36, Township 16 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated South Shoe Bar-Morrow Gas Pool and Undesignated Shoe Bar-Mississippian Gas Pool. The unit is to be dedicated to applicant's Double Hackle Drake "36' State Well No. 1, to be drilled at an orthodox location in the NW/4 NW/4 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 operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles southwest of Lovington, New Mexico.

CASE 12760: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Grayburg formation to the base of the Morrow formation underlying the E/2 of Section 18, Township 19 South, Range 28 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated West Millman-Wolfcamp Pool, Millman-Strawn Gas Pool, and Undesignated South Millman-Morrow Gas Pool. The unit is to be dedicated to applicant's Remington "18" St. Com. Well No. 1, drilled at an orthodox location in the NW/4 SE/4 of Section 18. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 9 miles southwest of Loco Hills, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT**

CASE 12735: Continued from November 1, 2001, Examiner Hearing.

Application of Louis Dreyfus Natural Gas Corporation 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 4, Township 23 South, Range 26 East, in the following manner: the E/2 to form a standard 320-acre gas spacing unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently includes but is not necessarily limited to the South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing unit for all formations and/or pools developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre spacing unit for all formations and/or pools developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to Applicant's proposed Saragossa 4 Fed Com Well No. 1 to be located at a standard location in Unit I of this section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, 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 this well. This unit is located approximately 6 miles southwest of Carlsbad, New Mexico.

CASE 12736: Continued from October 18, 2001, Examiner Hearing.

Application of KUKUI Operating Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an exception to Division Rule 104.C (2) for its proposed Goodnight "35" Federal Well No. 3 (API No. 30-015-31865) to be drilled at an unorthodox gas well location 440 feet from the South line and 660 feet from the West line (Unit M) of Section 35, Township 23 South, Range 29 East. The S/2 of Section 35 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Wolfcamp (Laguna Grande-Wolfcamp Gas Pool), Strawn, Atoka, and Morrow formations. This unit is located approximately 8.5 miles east by south of Loving, New Mexico.

CASE 12761: Application of Yates Petroleum Corporation for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Mocha State Unit for an area comprising 2880 acres, more or less, of state lands in Sections 33, 34 and 35, Township 12 South, Range 34 East, and Sections 2 and 11, Township 13 South, Range 34 East, which is located approximately 9.5 miles southwest of Tatum, New Mexico.

CASE 12762: Application of Paladin Energy Corp. for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Paladin Wolfcamp Exploratory Unit for an area comprising 80 acres, more or less, of state and fee lands in Sections 35 and 36, Township 13 South, Range 37 East, which is located approximately 9 miles east of McDonald, New Mexico.

CASE 12763: Application of Paladin Energy Corp. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox well location in the Wolfcamp formation, King-Wolfcamp Pool, for its State "C" Well No. 1 to be re-entered and recompleted at an unorthodox well location 1550 feet from the North line and 10 feet from the West line of Section 36, Township 13 South, Range 37 East. Said well is located approximately 9 miles east of McDonald, New Mexico.

CASE 12764: Application of Discovery Exploration for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Lowe Exploratory Unit for an area comprising 80 acres of fee lands in Sections 28 and 29, Township 12 South, Range 38 East, which is located approximately 11 miles east of Tatum, New Mexico.

CASE 12765: Application of Discovery Exploration for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location in the Devonian formation, Trinity-Devonian Pool, for its Lowe Well No. 1 to be drilled at an unorthodox gas well location 2300 feet from the South line and 100 feet from the East line of Section 29, Township 12 South, Range 38 East. Said well is located approximately 11 miles east of Tatum, New Mexico.

CASE 12179: (Reopened) Continued from October 18, 2001, Examiner Hearing.

In the matter of Case 12179 being reopened pursuant to the provisions of Division Order No. R-11208, which order promulgated temporary special pool rules for the East Hobbs-San Andres Pool in Lea County, New Mexico. Operators in the East Hobbs-San Andres Pool should be prepared to appear and show cause why the top oil allowable rate of 160 barrels of oil per day for the pool should not be rescinded.

CASE 12766: Application of Primero Operating, Inc. for approval of a unit agreement, Socorro County, New Mexico. Applicant seeks approval of the Cat Head Mesa Unit, a voluntary exploratory unit for an area

comprising 37,339.04 acres, more or less, of state, federal and fee oil and gas leases underlying portions or all of the following sections: Sections 35, 36, Township 3 South, Range 8 East; Sections 31, 32, 33, Township 3 South, Range 9 East; Sections 1, 2, 3, 10-15, 23-25, and 36, Township 4 South, Range 8 East; Sections 2-36, Township 4 South, Range 9 East; Section 1, Township 5 South, Range 8 East; Sections 2-11, Township 5 South, Range 9 East. This proposed unit is located approximately 18 miles northeast of Bingham, New Mexico

CASE 12767: **Application of Chesapeake Operating, Inc. for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks approval to drill and produce its proposed Buchanan "32" Well No. 1 at an unorthodox oil well location 2520 feet from the South line and 1909 feet from the West line (Unit K) of Section 32, Township 16 South, Range 37 East, for production from the Strawn formation from the Northeast Lovington-Pennsylvanian Pool to be dedicated to a standard 80-acre oil spacing and proration unit consisting of the N/2 SW/4 of this section. This location is located approximately 5 ½ miles southeast of Lovington, New Mexico.

CASE 12768: **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 Strawn formation underlying the following described acreage in Section 9, Township 16 South, Range 37 East: the E/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 this vertical extent, including the Northeast Lovington-Pennsylvanian Pool; and the NE/4 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 this vertical extent. This unit is to be dedicated to its Buddy "9" Well No. 1 which will be located at a standard well location within Unit K of this section. Applicant further seeks an order prescribing terms ("operating provisions") pursuant to which future operations may be conducted in accordance with applicant's Joint Operating Agreement. 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 unit is located approximately 4 miles east of the center of the City of Lovington, New Mexico.

CASE 12769: **Application of Matador Petroleum Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the top of the surface to the base of the Tubb formation underlying the following described acreage in Section 4, Township 20 South, Range 37 East: the N/2 NE/4 to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within this vertical extent, including but not limited to the Monument Tubb Pool; and the NW/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 within this vertical extent, including but not limited to the East Monument-Paddock Pool and the Monument-Blinebry Pool. This unit is to be dedicated to its proposed Cooper "4" Well No. 2 to be drilled and completed at a standard well location in Unit B of this Section. Applicant further seeks an order prescribing terms ("operating provisions") pursuant to which future operations may be conducted in accordance with applicant's Joint Operating Agreement. 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 the applicant as the operator of this spacing unit and this well and a charge for risk involved in this well. This unit is located approximately 1-1/2 miles south-southeast of Monument, New Mexico.

CASE 12770: **Application of the New Mexico Oil Conservation Division for an Order Requiring Sierra Blanca Operating Company to Properly Plug Ninety (90) Wells, Authorizing the Division to Plug Said Wells in Default of**

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Compliance by Sierra Blanca Operating Company or Its Sureties, and Ordering a Forfeiture of Applicable Plugging Bonds and Cash Collateral; Lea County, New Mexico. The Applicant seeks an order requiring Sierra Blanca Operating Company, the operator of ninety (90) inactive wells in Lea County, New Mexico to properly plug and abandon the same, authorizing the Division to plug said wells if the operator or its sureties fails to do so, forfeiting Operator's plugging bonds and cash collateral, and providing for such other relief as the Director deems appropriate. The affected wells are the following:

API WELL #	Well Name	Well #	UL	Sec	Twp	N/S	Rng	W/E
30-025-00238-00-00	NORTH CAPROCK QUEEN UNIT	001	A	7	13S		32E	
30-025-00234-00-00	NORTH CAPROCK QUEEN UNIT	002	2	6	13S		32E	
30-025-24595-00-00	NORTH CAPROCK QUEEN UNIT	002Y	B	7	13S		32E	
30-025-00213-00-00	NORTH CAPROCK QUEEN UNIT	003	3	5	13S		32E	
30-025-00223-00-00	NORTH CAPROCK QUEEN UNIT	003	3	6	13S		32E	
30-025-00253-00-00	NORTH CAPROCK QUEEN UNIT	003	C	7	13S		32E	
30-025-00264-00-00	NORTH CAPROCK QUEEN UNIT	004	D	8	13S		32E	
30-025-24596-00-00	NORTH CAPROCK QUEEN UNIT	004Y	D	8	13S		32E	
30-025-00214-00-00	NORTH CAPROCK QUEEN UNIT	005	E	5	13S		32E	
30-025-00257-00-00	NORTH CAPROCK QUEEN UNIT	005	E	8	13S		32E	
30-025-00208-00-00	NORTH CAPROCK QUEEN UNIT	006	F	32	12S		32E	
30-025-00239-00-00	NORTH CAPROCK QUEEN UNIT	006	F	7	13S		32E	
30-025-00259-00-00	NORTH CAPROCK QUEEN UNIT	006	F	8	13S		32E	
30-025-00222-00-00	NORTH CAPROCK QUEEN UNIT	006F	F	6	13S		32E	
30-025-00205-00-00	NORTH CAPROCK QUEEN UNIT	007	G	32	12S		32E	
30-025-00233-00-00	NORTH CAPROCK QUEEN UNIT	007	G	6	13S		32E	
30-025-00236-00-00	NORTH CAPROCK QUEEN UNIT	007	G	7	13S		32E	
30-025-00245-00-00	NORTH CAPROCK QUEEN UNIT	008	H	7	13S		32E	
30-025-00235-00-00	NORTH CAPROCK QUEEN UNIT	009	I	6	13S		32E	
30-025-00254-00-00	NORTH CAPROCK QUEEN UNIT	009	I	7	13S		32E	
30-025-00202-00-00	NORTH CAPROCK QUEEN UNIT	010	J	32	12S		32E	
30-025-24597-00-00	NORTH CAPROCK QUEEN UNIT	010Y	J	7	13S		32E	

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30-025-00230-00-00	NORTH CAPROCK QUEEN UNIT	011	K	6	13S	32E
30-025-00263-00-00	NORTH CAPROCK QUEEN UNIT	011	K	8	13S	32E
30-025-00244-00-00	NORTH CAPROCK QUEEN UNIT	011	K	7	13S	32E
30-025-00209-00-00	NORTH CAPROCK QUEEN UNIT	012	L	32	12S	32E
30-025-00216-00-00	NORTH CAPROCK QUEEN UNIT	012	L	5	13S	32E
30-025-00229-00-00	NORTH CAPROCK QUEEN UNIT	012	6	6	13S	32E
30-025-00260-00-00	NORTH CAPROCK QUEEN UNIT	012	L	8	13S	32E
30-025-00200-00-00	NORTH CAPROCK QUEEN UNIT	013	M	32	12S	32E
30-025-00261-00-00	NORTH CAPROCK QUEEN UNIT	013	M	8	13S	32E
30-025-00206-00-00	NORTH CAPROCK QUEEN UNIT	014	N	32	12S	32E
30-025-00232-00-00	NORTH CAPROCK QUEEN UNIT	014	N	6	13S	32E
30-025-00262-00-00	NORTH CAPROCK QUEEN UNIT	014	N	8	13S	32E
30-025-00227-00-00	NORTH CAPROCK QUEEN UNIT	015	O	6	13S	32E
30-025-00179-00-00	NORTH CAPROCK QUEEN UNIT	016	P	30	12S	32E
30-025-00131-00-00	NORTHEAST CAPROCK QUEEN UNIT	001	L	16	12S	32E
30-025-00133-00-00	NORTHEAST CAPROCK QUEEN UNIT	002	K	16	12S	32E
30-025-00135-00-00	NORTHEAST CAPROCK QUEEN UNIT	003	J	16	12S	32E
30-025-00129-00-00	NORTHEAST CAPROCK QUEEN UNIT	004	I	16	12S	32E
30-025-00124-00-00	NORTHEAST CAPROCK QUEEN UNIT	005	L	15	12S	32E
30-025-00138-00-00	NORTHEAST CAPROCK QUEEN UNIT	006	P	17	12S	32E
30-025-00132-00-00	NORTHEAST CAPROCK QUEEN UNIT	007	M	16	12S	32E
30-025-00134-00-00	NORTHEAST CAPROCK QUEEN UNIT	008	N	16	12S	32E
30-025-00136-00-00	NORTHEAST CAPROCK QUEEN UNIT	009	O	16	12S	32E
30-025-00137-00-00	NORTHEAST CAPROCK QUEEN UNIT	010	P	16	12S	32E
30-025-00125-00-00	NORTHEAST CAPROCK QUEEN UNIT	011	O	15	12S	32E
30-025-00126-00-00	NORTHEAST CAPROCK QUEEN UNIT	012	P	15	12S	32E

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30-025-00120-00-00	NORTHEAST CAPROCK QUEEN UNIT	013	M	14	12S	32E
30-025-00121-00-00	NORTHEAST CAPROCK QUEEN UNIT	014	N	14	12S	32E
30-025-00148-00-00	NORTHEAST CAPROCK QUEEN UNIT	015	B	20	12S	32E
30-025-00147-00-00	NORTHEAST CAPROCK QUEEN UNIT	016	A	20	12S	32E
30-025-00151-00-00	NORTHEAST CAPROCK QUEEN UNIT	017	D	21	12S	32E
30-025-00153-00-00	NORTHEAST CAPROCK QUEEN UNIT	018	C	21	12S	32E
30-025-00155-00-00	NORTHEAST CAPROCK QUEEN UNIT	019	B	21	12S	32E
30-025-00156-00-00	NORTHEAST CAPROCK QUEEN UNIT	020	A	21	12S	32E
30-025-00161-00-00	NORTHEAST CAPROCK QUEEN UNIT	021	D	22	12S	32E
30-025-00162-00-00	NORTHEAST CAPROCK QUEEN UNIT	022	C	22	12S	32E
30-025-00160-00-00	NORTHEAST CAPROCK QUEEN UNIT	023	B	22	12S	32E
30-025-00167-00-00	NORTHEAST CAPROCK QUEEN UNIT	025	D	23	12S	32E
30-025-00168-00-00	NORTHEAST CAPROCK QUEEN UNIT	026	C	23	12S	32E
30-025-00145-00-00	NORTHEAST CAPROCK QUEEN UNIT	027	G	20	12S	32E
30-025-00149-00-00	NORTHEAST CAPROCK QUEEN UNIT	028	H	20	12S	32E
30-025-00152-00-00	NORTHEAST CAPROCK QUEEN UNIT	029	E	21	12S	32E
30-025-00154-00-00	NORTHEAST CAPROCK QUEEN UNIT	030	F	21	12S	32E
30-025-00163-00-00	NORTHEAST CAPROCK QUEEN UNIT	031	H	22	12S	32E
30-025-00165-00-00	NORTHEAST CAPROCK QUEEN UNIT	032	E	23	12S	32E
30-025-00169-00-00	NORTHEAST CAPROCK QUEEN UNIT	033	F	23	12S	32E
30-025-00150-00-00	NORTHEAST CAPROCK QUEEN UNIT	034	L	21	12S	32E
30-025-28581-00-00	NORTHEAST CAPROCK QUEEN UNIT	035Y	N	16	12S	32E
30-025-08073-00-00	YOUNG UNIT	002	D	16	18S	32E
30-025-08078-00-00	YOUNG UNIT	003	A	17	18S	32E
30-025-08084-00-00	YOUNG UNIT	005	G	17	18S	32E
30-025-08077-00-00	YOUNG UNIT	006	H	17	18S	32E

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30-025-08072-00-00	YOUNG UNIT	007	E	16	18S	32E
30-025-08083-00-00	YOUNG UNIT	009	I	17	18S	32E
30-025-08081-00-00	YOUNG UNIT	010	K	17	18S	32E
30-025-08079-00-00	YOUNG UNIT	011	N	17	18S	32E
30-025-08096-00-00	YOUNG UNIT	012	D	20	18S	32E
30-025-08092-00-00	YOUNG UNIT	013	C	20	18S	32E
30-025-00862-00-00	YOUNG UNIT	014	B	20	18S	32E
30-025-08097-00-00	YOUNG UNIT	015	C	20	18S	32E
30-025-08093-00-00	YOUNG UNIT	016	E	20	18S	32E
30-025-00860-00-00	YOUNG UNIT	018	G	20	18S	32E
30-025-08094-00-00	YOUNG UNIT	019	H	20	18S	32E
30-025-08101-00-00	YOUNG UNIT	021	J	20	18S	32E
30-025-08099-00-00	YOUNG UNIT	022	K	20	18S	32E
30-025-08100-00-00	YOUNG UNIT	024	N	20	18S	32E
30-025-08091-00-00	YOUNG UNIT	025	O	20	18S	32E
30-025-00875-00-00	YOUNG UNIT	030	C	29	18S	32E

CASE 12771: Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring Sixty-Two (62) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 62 inactive wells located in Lea, Roosevelt and Chaves Counties, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

<u>OPERATOR</u>	<u>WELL NAME AND NO.</u>	<u>API #</u>	<u>ULSTR</u>	<u>CO.</u>
C. C. POLLARD	STATE B #001	30-025-04829	L-29-21S-36E	Lea
PRAIRIE SUN, INC.	GULF MCKAY FEDERAL #001	30-025-25471	N-34-18S-32E	Lea
PRAIRIE SUN, INC.	MORGAN FEDERAL #001	30-005-20667	3-06-10S-30E	Lea
PRIMAL ENERGY CORPORATION	HALE STATE #003	30-025-12581	H-02-25S-37E	Lea
PRIMAL ENERGY CORPORATION	M E HALE #001	30-025-11397	G-02-25S-37E	Lea
PRIMAL ENERGY CORPORATION	RAMSEY STATE #002	30-025-11375	K-36-24S-37E	Lea
PRIMAL ENERGY CORPORATION	RAMSEY STATE #005	30-025-11378	N-36-24S-37E	Lea
PROFESSIONAL OIL SERVICES INC.	KEOHANE #003	30-025-22935	K-06-20S-38E	Lea
PRO-GAS OPERATING INC	STATE A #001	30-025-03542	J-36-21S-35E	Lea

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PRO-GAS OPERATING INC	STATE A #002	30-025-03540	O-36-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	FOWLER B #001	30-025-28197	K-06-19S-38E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #003	30-025-11182	B-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #004	30-025-11183	F-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #005	30-025-21401	K-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	JENNINGS FEDERAL #004	30-025-25149	K-14-24S-32E	Lea
PRONGHORN MANAGEMENT CORP	MARSHALL #001	30-025-08358	4-19-23S-33E	Lea
PRONGHORN MANAGEMENT CORP	MARSHALL #005	30-025-25000	F-19-23S-33E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO BZ STATE NCT 5 #003	30-025-03523	E-29-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO BZ STATE NCT 5 #004	30-025-03524	F-29-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO BZ STATE NCT 5 #005	30-025-32362	D-29-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO DL STATE #006	30-025-28659	P-18-23S-33E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #001	30-025-03734	13-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #002	30-025-03735	12-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #003	30-025-03736	14-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #004	30-025-03737	11-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	GILA 4 DEEP #001	30-025-30872	G-04-25S-33E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #006	30-025-21478	F-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #007	30-025-21479	C-21-24S-37E	Lea
SABA ENERGY OF TEXAS INC	SAN SIMON 5 STATE #002	30-025-28480	G-05-22S-35E	Lea
SABA ENERGY OF TEXAS INC	FERN GUYE #001	30-025-34488	M-05-13S-36E	Lea
SF ENERGY OPERATING PARTNERS	WHITE SWAN 9 FEDERAL #003	30-025-32301	J-09-22S-32E	Lea
SMITH & MARRS INC	AMERICAN EAGLE #001	30-025-27163	M-22-26S-36E	Lea
SMITH & MARRS INC	CHRISITE #001	30-025-22991	A-19-11S-33E	Lea
SMITH & MARRS INC	LEA KN STATE #002	30-025-21070	B-17-17S-37E	Lea
SMITH & MARRS INC	SHULTS #002	30-025-05020	P-13-12S-37E	Lea
SMITH & MARRS INC	STATE HTA #001	30-025-21329	B-36-12S-33E	Lea
SMITH & MARRS INC	AZTEC STATE COM #003	30-025-27575	4-18-16S-37E	Lea
SMITH & MARRS INC	CORTLAND MYERS UNIT #006	30-025-11200	J-22-24S-37E	Lea
SMITH & MARRS INC	JAMISON #005	30-025-21152	H-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #006	30-025-20355	P-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #007	30-025-20354	I-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #008	30-025-20353	L-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #009	30-025-20352	L-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #010	30-025-20351	M-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #011	30-025-20350	M-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #012	30-025-21154	P-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #013	30-025-20613	P-21-24S-37E	Lea
SMITH & MARRS INC	MR WILLS FEDERAL #001	30-025-28499	D-34-26S-37E	Lea
SMITH & MARRS INC	NEW MEXICO CV STATE #002	30-025-26048	P-28-26S-36E	Lea

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SMITH & MARRS INC	STATE HTB SWD #001	30-025-21671	1-31-12S-34E	Lea
SPENCE ENERGY CO	KELLAHIN 14 STATE #002	30-025-29969	P-14-09S-32E	Lea
TENISON OIL CO	VAUGHN B 9 #001	30-025-09522	A-09-24S-36E	Lea
TEXLAND PETROLEUM, INC	J R HOLT #002	30-025-30582	3-02-17S-37E	Lea
TEXLAND PETROLEUM, INC	W D GRIMES NCT A #016	30-025-22627	D-32-18S-38E	Lea
W H BRININSTOOL	SHEARN STATE #001	30-025-27998	2-32-26S-37E	Lea

CASE 12771: Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring Sixty-Two (62) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 62 inactive wells located in Lea, Roosevelt and Chaves Counties, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

<u>OPERATOR</u>	<u>WELL NAME AND NUMBER</u>	<u>API #</u>	<u>ULSTR</u>	<u>COUNTY</u>
RW OIL CO	RENO FEDERAL #002	30-005-10151	M-03-15S-31E	Chaves
RW OIL CO	RENO FEDERAL #003	30-005-10152	K-03-15S-31E	Chaves
RW OIL CO	RENO FEDERAL #004	30-005-10153	N-03-15S-31E	Chaves
RW OIL CO	RENO FEDERAL #001	30-005-00548	L-03-15S-31E	Chaves

CASE 12771: Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring Sixty-Two (62) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 62 inactive wells located in Lea, Roosevelt and Chaves Counties, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

<u>OPERATOR</u>	<u>WELL NAME AND NUMBER</u>	<u>API #</u>	<u>ULSTR</u>	<u>COUNTY</u>
SMITH & MARRS INC	HAYES #003	30-041-00186	L-29-08S-37E	Roosevelt
SMITH & MARRS INC	HAYES #004	30-041-00187	N-29-08S-37E	Roosevelt
SMITH & MARRS INC	LAS CRUCES B #001	30-041-00234	1-30-08S-37E	Roosevelt

CASE 12726: Continued from November 1, 2001, Examiner Hearing.

Application for Order Shutting In Wells, Canceling Allowables and Assessing Civil Penalties, Eddy County, New Mexico. Applicant seeks an order shutting in 18 wells in Eddy County, New Mexico, and canceling their allowables until such time as Tom R. Cone, who has applied to the Division to assume operation of these wells files the additional bonds required by the Division, and assessing civil penalties against Cone for producing these wells without Division approval. The affected wells are the following, all of which are located in Eddy County, New Mexico:

<u>Well</u>	<u>API No.</u>	<u>Twsp</u>	<u>Range</u>	<u>Sec</u>	<u>Unit</u>
Carper Johnson A No. 2	30-015-05004	16S	31E	35	H
Federal 13 No. 1	30-015-04597	19S	30E	13	E
Federal 13 No. 2	30-015-04599	19S	30E	13	F
Kennedy Johnson A No. 1	30-015-05008	16S	31E	35	F
Kennedy Johnson A No. 2	30-015-05009	16S	31E	35	H

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Kennedy Johnson A No. 3	30-015-05010	16S	31E	35	L
Kennedy Johnson A No. 6	30-015-10165	16S	31E	35	M
North Shugart Queen Unit No. 1	30-015-05597	18S	31E	21	C
North Shugart Queen Unit No. 2	30-015-05592	18S	31E	21	D
North Shugart Queen Unit No. 3	30-015-05588	18S	31E	20	H
North Shugart Queen Unit No. 4	30-015-05591	18S	31E	21	E
North Shugart Queen Unit No. 5	30-015-05593	18S	31E	21	F
North Shugart Queen Unit No. 6	30-015-05598	18S	31E	21	K
North Shugart Queen Unit No. 7	30-015-05599	18S	31E	21	L
North Shugart Queen Unit No. 8	30-015-05586	18S	31E	20	I
North Shugart Queen Unit No. 9	30-015-05587	18S	31E	20	P
North Shugart Queen Unit No. 10	30-015-05590	18S	31E	21	M
North Shugart Queen Unit No. 11	30-015-05600	18S	31E	21	N

CASE 12757: Continued from November 1, 2001, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Marks and Garner Production Ltd. Co. to Properly Plug Seventeen (17) Wells, Authorizing the Division to Plug Said Wells in Default of Compliance by Marks and Garner Ltd. Co., Ordering a Forfeiture of Applicable Plugging Bond and Assessing Civil Penalties for False Production Reporting; Eddy County, New Mexico. The Applicant seeks an order requiring Marks and Garner Ltd. Co., the operator of seventeen (17) inactive wells in Eddy County, New Mexico to properly plug and abandon the same, authorizing the Division to plug said wells if the operator or its surety fails to do so, forfeiting Operator's plugging bond, and assessing civil penalties for false production reporting. The affected wells are the following:

<u>API NO.</u>	<u>WELL NAME AND NO.</u>	<u>UNIT/SEC./TWSP/RNG</u>	<u>FNS</u>	<u>FEW</u>
30-015-02784	Cave Pool Unit #1	O-33-16S-29E	660S	1780E
30-015-02892	Cave Pool Unit #3	A-04-17S-29E	985N	987E
30-015-02880	Cave Pool Unit #12	E-04-17S-29E	1980N	660E
30-015-02881	Cave Pool Unit #14	G-04-17S-29E	1980N	1980E
30-015-02875	Cave Pool Unit #16	E-03-17S-29E	1973N	330W
30-015-02886	Cave Pool Unit #19	K-04-17S-29E	1980S	1880W
30-015-02891	Cave Pool Unit #30	O-04-17S-29E	990S	2310E
30-015-02927	Cave Pool Unit #32	A-09-17S-29E	660N	660E
30-015-02926	Cave Pool Unit #41	E-08-17S-29E	1650N	330W
30-015-02903	Cave Pool Unit #51	L-05-17S-29E	1650S	990W
30-015-02912	Cave Pool Unit #53	H-07-17S-29E	1650N	330E
30-015-25090	Red Twelve Levers Federal #8Q	I-33-16S-29E	1980S	990E
30-015-25152	Red Twelve Levers Federal #12	D-33-16S-29E	660N	660W
30-015-24991	Red Twelve State #4	O-05-17S-29E	990S	2310E
30-015-25055	Red Twelve State #6	K-05-17S-29E	2310S	1650E
30-015-02889	State #2	C-04-17S-19E	990N	1980W
30-015-24732	Theos State #1	G-05-17S-29E	1650N	1650E

CASE 12772: 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 Wolfcamp production and designated as the Buzzard Canyon-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Blacktail “ATT” Federal Well No. 1 located in Unit K of Section 21, Township 20 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM

Section 21: S/2

- (b) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Wolfcamp production and designated as the Comanche-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Canner “AUF” State Com. Well No. 1 located in Unit M of Section 30, Township 10 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM

Section 30: W/2

- (c) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Pennsylvanian production and designated as the Cottonwood Ranch-Pennsylvanian Gas Pool. The discovery well is the Yates Petroleum Corporation Hewitt “IM” Federal Well No. 5 located in Unit I of Section 25, Township 6 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM

Section 25: S/2

- (d) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Pre-Permian production and designated as the North Foor Ranch-Pre-Permian Gas Pool. The discovery well is the Yates Petroleum Corporation Percentage “APR” Well No. 1 located in Unit O of Section 3, Township 8 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 3: E/2

- (e) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Cisco-Canyon production and designated as the Fren-Cisco-Canyon Pool. The discovery well is the Marbob Energy Corporation Poteet Strawberry Federal Well No. 1 located in Unit H of Section 10, Township 17 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 10: NE/4

- (f) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Glorieta-Yeso production and designated as the Red Lake Shores-Glorieta-Yeso Pool. The discovery well is the Chi Operating, Inc. Little Toot “9” State Well No. 1 located in Unit D of Section 9, Township 17 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 9: NW/4

- (g) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Pennsylvanian

production and designated as the Red Spring-Pennsylvanian Gas Pool. The discovery well is the Yates Petroleum Corporation Paulette "PV" State Well No. 6 located in Unit M of Section 16, Township 5 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM

Section 16: W/2

- (h) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for San Andres production and designated as the Rio Penasco-San Andres Gas Pool. The discovery well is the Read & Stevens, Inc. West Dayton Well No. 1 located in Unit P of Section 19, Township 18 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM

Section 19: SE/4

- (i) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Atoka production and designated as the Strychnine Draw-Atoka Gas Pool. The discovery well is the Arco Permian Jaguar Federal "26" Well No. 1 located in Unit A of Section 26, Township 20 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM

Section 26: E/2

- (j) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Strawn production and designated as the Strychnine Draw-Strawn Gas Pool. The discovery well is the Arco Permian Jaguar Federal "26" Well No. 1 located in Unit A of Section 26, Township 20 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM

Section 26: E/2

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

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM

Section 3: N/2

Section 4: N/2

- (l) EXTEND the Avalon-Strawn Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 14: S/2

- (m) EXTEND the Benson-Bone Spring Pool in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM

Section 12: S/2

- (n) EXTEND the Big Sinks-Wolfcamp Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 32: E/2

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

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM

Section 16: W/2

- (p) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 23: N/2

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

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 18: W/2

- (r) EXTEND the East Catclaw Draw-Delaware Pool in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 10: NW/4

- (s) EXTEND the Cedar Lake-Yeso Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 18: NE/4

- (t) EXTEND the Comanche Spring-Pre-Permian Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 35: E/2

- (u) EXTEND the East Eagle Creek-Atoka-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM

Section 19: W/2

- (v) EXTEND the Eagle Creek-Permo-Pennsylvanian Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM

Section 31: All

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

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 23: W/2

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 9: E/2

Section 10: E/2

- (x) EXTEND the Empire-Wolfcamp Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 19: N/2 and SE/4

Section 30: NE/4

Section 33: N/2

- (y) EXTEND the Foor Ranch-Pre-Permian Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 16: NW/4

Section 33: S/2 and NE/4

Section 34: N/2

- (z) EXTEND the Northwest Foor Ranch-Pre-Permian Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 4: E/2

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

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 15: S/2

Section 16: N/2 and SE/4

Section 33: All

Section 34: S/2

Section 35: SW/4

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

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 33: SE/4

Section 34: S/2

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 3: SW/4

Section 10: W/2

- (cc) EXTEND the Logan Draw-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 24: SW/4

- (dd) EXTEND the Logan Draw-Wolfcamp Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 25: SE/4

Section 36: SW/4

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

TOWNSHIP 21 SOUTH, RANGE 31 EAST, NMPM

Section 34: SE/4

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

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 9: W/2

(gg) EXTEND the North Shugart-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 6: W/2

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