

New Mexico

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OIL CONSERVATION DIVISION
November 25, 2002
Vol. 39 - No. 35

IMPORTANT NOTICE: Examiner hearings have been tentatively been scheduled for December 19, 2002, and January 9, 2003. Applications for hearing must be filed at least 23 days in advance of hearing date.

COMMISSION HEARING HELD - NOVEMBER 22 - SANTA FE

Lori Wrotenbery, Chairman and OCD Director
Jami Bailey, member-State Land Office designate
Robert e. Lee, PhD, Member at Large
Steven Ross, Commission Counsel
Florene Davidson, Commission Secretary

Notice: The Commission may conduct a closed executive session during which it will deliberate in connection with an administrative adjudicatory proceeding pending before the Commission or consult with Commission counsel under the attorney-client privilege concerning threatened or pending litigation in with the Commission is or may become a participant.

Final action may be taken in the following:

STATE OF NEW MEXICO Amendments to Rule 118 (Case 12897)

The Oil Conservation Division, upon its own motion called this hearing to consider the amendments to Division Rule 118 (Hydrogen Sulfide Gas).

Statements: Steven Ross said the six issues discussed at the last meeting were included in this draft order. Also, the encroachment issue is addressed. Basically, it provides that should an encroachment result in a potentially hazardous volume where none had existed before, a contingency must be filed.

Chairman Wrotenbery noted that the draft Rule adds the phrase "or should have become aware" to the language.

The rule was adopted.

LEA COUNTY Two Non-Standard Gas Spacing and Proration Units (Case 12622) Contraction and Extension of Pools (Case 12908-A) (Severed and Reopened)

In Case 12622, Nearburg Exploration Company, L.L.C. sought an order for two non-standard gas spacing and proration units located in Lea County.

In Case 12908-A, The Oil Conservation Division, upon its own motion, called this hearing to consider the contraction and extension of pools Lea County.

In reference to these two cases, an order was adopted.

STATE OF NEW MEXICO Repeal of Rule 402 (Case 12934) (From hearing held October 25)

The Oil Conservation Division, upon its own motion, called this hearing to consider the Repeal of Rule 402 (Method and time of Shut-in Pressure Test).

An order was adopted repealing Rule 402.

SAN JUAN COUNTY Establish a Special Infill Well Area as an Exception from Rule 4 of Special Pool Rules (Case 12734) (De Novo) (Continued to December 13)

Continued to December 13 is the application of Richardson Operating Company seeking the establishment of a Special "Infill Well" area consisting of Sec. 36, of T-30-N, R-15-E, Sec. 1 of T-29-N, R-15-W, Secs. 16, 19, 20, 21, 28 through 33 of T-30-N, R-14-W, Secs. 4, 5 ad 6 of T-29-N, R-14-W within the Basin-Fruitland

SAN JUAN COUNTY

Establish a Special Infill Well Area as an Exception from Rule 4 of

Special Pool Rules (Case 12734) (De Novo) (Continued to December 13) (Continued)

Coal Gas Pool, as an exception from Rule 4 for the Special Rules and Regulations for this pool to allow the drilling of a second well within a standard 320-acre spacing unit. The Special "Infill Well" Area is located approximately 2 miles north of Kirkland, New Mexico. Upon application of San Juan Coal Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

STATE OF NEW MEXICO

Amend Rules 303.B, 309-B, 309-C, and Make Conforming Amendments to

Rule 303.A and Rule 309-A (Case 12935)

The Oil Conservation Division, upon its own motion, called this hearing to adopt new rules regarding surface commingling, amend present Rule 303.B, repealing present Rules 309-B and 309-C, and adopting new Rule 315. The proposed rules will make clear that commingling of both gas and oil production from different rules will make clear that commingling of both gas and oil production from different pools or different leases requires Division approval, and will clarify and consolidate the rules regarding procedures for securing Division approval. The proposed rules also provide specific standards for the measurement of production. The text of the proposed amendments is available for public review in the Division's Santa Fe office during regular business hours. The application of the proposed rule amendments is STATEWIDE.

Appearances: David Brooks, EMNRD assistant general counsel, for the Division; Richard Ezeanyim, NMOCD chief engineer, Santa Fe; Richard E. Foppiano, Oxy USA registered P.E./senior regulatory affairs advisor, Houston TX, for the work group; William F. Carr (Santa Fe), attorney, for the New Mexico Oil & Gas Association.

Statement: Brooks said his witnesses were both involved in the development of this rule. He asked that either be allowed to answer questions.

Testimony: Ezeanyim said a work group was formed in 2000; the way the rules are applied is very confusing. The Division has treated the rule as though it applied to gas as well as oil, although that is very unclear. Also, the application process is very confusing to the operator. An application form was developed. Thirdly, the Division needs to apply the rule consistently. In this draft, the group has concentrated everything in one rule, to make it more effective and consistent, and to streamline the process. Surface commingling, in appropriate use, can prevent waste. He discussed the work group's meetings and processes. The group reached a consensus on the recommended rule amendments. The group recommends the repeal of sections of Rules 303.B and 309.C, and adoption of amendments. He went through the recommendations, as follows:

- Rule 303.B (1) (b), which currently requires prior approval from the federal Bureau of Land Management (BLM) or State Land Office (SLO), would be amended to require evidence that they have been noticed.
- Rule 303.B (2) (a) redefines "lease," allowing commingling without regulatory supervision where contiguous ownership of all interests is identical.
- Rule 303.B (3) (a) adds language expressly authorizing use of well test method, allocation by metering and the subtraction method as alternatives to direct measurement where ownership is identical and contained. Ezeanyim noted that where ownership is identical, and only marginal wells or pools are involved, allocation of production between pools or wells is not necessary to protect correlative rights.
- Rule 303.B (3) (b), which deals with identical ownership, has been rewritten, requiring only a sundry notice, plus certification from an attorney or landman that the interests are identical.
- Rule 303.B (4) (a) gives operators and the Division the flexibility to allow other methods of allocating production where ownership is diverse, although separate metering remains the norm in such cases. All references to the manual are eliminated, because it is outdated.
- Rule 303.B (4) (b) is a new provision according with BLM requirements for meter proving frequencies.
- Rule 303.B (4) (c) is a new provision, inserted to conform with Rule 403, on low-production gas wells.
- Rule 303.B (4) (d) clarifies the current rules on the approval process where there is diverse ownership. By not requiring presentation of proof of support where a protesting party does not appear, the hearing process will be streamlined. The provisions also allow addition of production to an existing system with notice only to parties being added. It does require notice to any owner initially included in the system.
- Rule 303.D changes notice requirements in cases of off-lease storage and/or management, requiring notice to working interest owners only.
- Rule 309 changes the current rule that a common tank battery may serve no more than 16 spacing units. Technology of the industry is developing in the direction of larger consolidated facilities, and there is no rational justification for limiting a tank battery to 16 spacing units.

Foppiano noted that all existing commingling orders are grandfathered. He said the word "lease" is not defined in any provisions that apply to surface commingling. The language is not clear. A reading of the rule would indicate that a lease is a geographical area, where to a landman a lease is a document. The work group felt that the word "lease" should be defined. The present draft defines "lease" as a geographic area with identical ownership that is specific to a pool. What are significant are the common geographic area, and the same pool. Where ownership is not identical, separate leases would be created under the definition. If a unit covers multiple pools, even in a common geographic area, the commingling of production between pools would require an exception to Rule 303.

He said the work group realized that the rule process really divided itself between situations of diverse ownership and identical ownership. The provisions for diverse ownership really haven't changed that much; the changes are in cases of identical ownership. That is where the changes really streamline the processes, changing

STATE OF NEW MEXICO

Amend Rules 303.B, 309-B, 309-C, and Make Conforming Amendments to
Rule 303.A and Rule 309-A (Case 12935) (Continued)

provisions on application notice requirements, allocation methods and additional production. Allocation methods are pre-approved for surface commingling cases where ownership is identical. Under this proposal, future surface commingling orders could require additional notice on added production, etc.

Statements: Commissioner Bailey said the Land Office has always supported streamlining the process and inter-agency cooperation. She said she was dismayed to hear that the inter-agency cooperation that has obtained in the past has been an obstruction. In fact, the current case is that SLO approval is contingent upon Division approval. While she supported many of the provisions here, she said she could not support changes that would put applicants in jeopardy of getting approval from one agency and being disapproved by another.

Chairman Wrotenbery asked why there was no representation from the Land Office on the work group; there was no explanation. She asked whether comment had been specifically sought from the Land Office. Ezeanyim said no. She asked whether comment had come from the Land Office in response to the published draft. Ezeanyim said no.

Foppiano said perhaps the amendments went too far in trying to streamline the process.

Ezeanyim said the Division is not trying to circumvent the SLO or BLM; the Division and work group were just trying to establish process whereby the Division can make approvals that are contingent on the SLO or BLM's prior approval.

Brooks said they could insert language saying that orders would not be effective without BLM/SLO approval.

Commissioner Bailey said she would like to see a revised draft that included that language, and to have time for her staff to study it. She said there were several changes that needed review.

On another subject, Ross questioned some of the legal language regarding process for protestors. He and Chairman Wrotenbery said the language appeared to prohibit protestors from cross-examining witnesses if they did not bring their own evidence or witnesses.

Chairman Wrotenbery asked whether the new definition of "lease" would affect production reporting. Foppiano said in his opinion it would not.

Carr said the draft has been circulated throughout the industry and enjoyed the support of NMOGA, and the industry.

Action: Chairman Wrotenbery asked Brooks to redraft the provisions as discussed and have the draft to the SLO in time to have its comments back by Dec. 6, so they could be considered at the next Commission meeting on Dec. 13. She said additional written comments from anyone should be submitted by Dec. 6.

The case was taken under advisement, with the record open for further comments.

STATE OF NEW MEXICO

Repeal of Rule 18, 105 and 313 and Adoption of New Rule Regulating Pits (Case 12969) (Continued Indefinitely)

Continued indefinitely is this case, which the New Mexico Oil Conservation Division, upon its own motion, has called to consider the repeal of Rules 18, 105 and 313 concerning pits, and to adopt new Rule 53 comprehensively regulating the construction, operating and closure of pits used in oil and gas exploration, production, treatment and transportation, and amendments to Rule 7 adding new definitions. Application of the proposed rule and amendments is STATEWIDE.

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EXAMINER HEARING SET - DECEMBER 5 - SANTA FE

Michael E. Stogner or David R. Catanach - Examiner

LEA COUNTY

Compulsory Pooling (Case 12970)

Ricks Exploration, inc. seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the SW/4 NE/4 of Sec. 22, T-12-S, R-38-E, Lea County, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Trinity-Wolfcamp Pool. The unit is to be dedicated to the No. 2 State 22 Well, to be drilled at an orthodox oil well location in the SW/4 NE/4 of Sec. 22. Also to be considered will be allocation of well costs, 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 14 miles east of Tatum, New Mexico.

LEA COUNTY

Compulsory Pooling (Case 12971)

Ricks Exploration, inc. seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NE/4 NE/4 of Sec. 27, T-12-S, R-38-E, Lea County, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Trinity-Wolfcamp Pool. The unit is to be dedicated to the No. 8 Burrus Well, to be drilled at an orthodox oil well location in the NE/4 NE/4 of Sec. 27. Also to be considered will be allocation of well costs, 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 14 miles east of Tatum, New Mexico.

EDDY COUNTY

Compulsory Pooling (Case 12941 – Continued from November 14)

Mewbourne Oil Company seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Sec. 31, T-20-S, R-28-E, Eddy County, and in the following manner: Lots 1, 2, E/2 NW/4, and the NE/4 of Sec. 31 to form a standard 317.10-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the North Burton-Flat-Wolfcamp Gas Pool, Undesignated Saladar-Upper Pennsylvanian Gas Pool, Undesignated Saladar-Strawn Gas Pool, Undesignated West Burton Flat-Strawn Gas Pool, Undesignated Northeast Avalon-Atoka Gas Pool, Undesignated West Burton Flat-Atoka Gas Pool, and Burton Flat-Morrow Gas Pool; Lots 1, 2, and the E/2 NW/4 of Sec. 31 to form a standard 157.10-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including but not limited to the East Avalon-Bone Spring Gas Pool and Undesignated Burton Flat-Bone Spring Associated Pool; and Lot 2 of Sec. 31 to form a non-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 Avalon-Delaware Pool, Undesignated East Penlon-Bone Spring Pool, Undesignated Avalon-Lower Bone Spring Pool, and Undesignated Burton Flat-Bone Spring Associated Pool. The units are to be dedicated to applicant's No. 1 Liberty "31" Fed. St. Com. Well, to be drilled at an orthodox well location in Lot 2 (Unit E) of Sec. 31. Also to be considered will be allocation of well costs, 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 8 miles north of Carlsbad, New Mexico.

LEA COUNTY

Amend Special Pool Rules (Case 12972)

Paladin Energy Corp. seeks the amendment of Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool located in portions of Secs. 33 through 36 of T-11-S, R-33-E, Lea County, and Secs. 1 through 4, and 10 through 12 of T-12-S, R-33-E, Lea County, to include the assignment of a special depth bracket allowable of 1000 barrels of oil per day for each 80-acre spacing and proration unit in the pool. Said pool is located approximately 17 miles west of Tatum, New Mexico.

LEA COUNTY

Non-Standard Oil Spacing Unit (Case 12973)

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

EDDY COUNTY

Surface Commingling (Case 12967 – Continued from November 14)

BP America Production Company seeks authority to surface commingle gas production from the Little Box Canyon-Morrow, Indian Loafer Draw-Upper Pennsylvanian, Strychnine Draw-Atoka and Strychnine Draw-Strawn Gas Pools within certain wells it operates located on Federal Leases No. NMNM-93457 and NMNM-25336, which comprise all or portions of Secs. 22, 25, 26 and 35, T-20-S, R-21-E, Eddy County, and on the Little Box State Lease, located on all or portions of Sec. 36, T-20-S, R-21-E, Eddy County. these wells are located approximately 18 miles south of Hope, New Mexico.

EDDY COUNTY

Surface Commingling (Case 12968 – Continued from November 14)

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

EDDY COUNTY

Compulsory Pooling (Case 12962 – Continued from November 14)

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

LEA COUNTY

Properly Plug One Well (Case 12974)

The Oil Conservation Division, upon its own motion, has called this hearing to consider an order requiring Hulen H. Lemon, the operator of one (1) inactive well in Lea County, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said well if the operator fails to do so, forfeiting operator's plugging security, if any, and providing for such other relief as the Director deems appropriate. The affected well is the No. 1 Gregg Dodd Well, located 1977 feet from the South line and 1977 feet from the East line (Unit J) of Sec. 30, T-9-S, R-33-E, Lea County.

LEA COUNTY

Properly Plug One Well (Case 12975)

The Oil Conservation Division, upon its own motion, has called this hearing to consider an order requiring Walter W. Anderson, the operator of one (1) inactive well in Lea County, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said well if the operator fails to do so, forfeiting operator's plugging security, if any, and providing for such other relief as the Director deems appropriate. The affected well is the No. 1 S. E. Anderson Estate Well, located 660 feet from the North line and 1980 feet from the East line (Unit B) of Sec. 30, T-9-S, R-35-E, Lea County.

ROOSEVELT COUNTY

Properly Plug One Well (Case 12976)

The Oil Conservation Division, upon its own motion, has called this hearing to consider an order requiring Paul D. Bliss, the operator of one (1) inactive well in Lea County, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said well if the operator fails to do so, forfeiting operator's plugging security, if any, and providing for such other relief as the Director deems appropriate. The affected well is the No. 1 Rhonda PG State V-39 Well, located 1980 feet from the South line and 660 feet from the West line (Unit L) of Sec. 35, T-7-S, R-35-E, Roosevelt County.

MCKINLEY COUNTY

Assess Civil Penalties (Case 12966 – Continued from November 14)

The Oil Conservation Division, upon its own motion, has called this hearing to consider an order assessing civil penalties for violation of the reporting and remediation requirements of OCD Rule 116 in connection with an unintended release of hydrocarbons occurring at the Hospah Sand Unit in McKinley County, New Mexico.

ROOSEVELT COUNTY

Plug Two Wells, Imposing Civil Penalties, and Forfeiture of Applicable Security (Case 12951 – Continued from November 14)

The New Mexico Oil Conservation Division, upon its own motion, seeks an order requiring Orbit Enterprise, Inc., the operator of two (2) inactive wells in Roosevelt County, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said well if the operator fails to do so, forfeiting operator's plugging security, and providing for such other relief as the Director deems appropriate. The affected wells are the No. 1 State BA Well, located in Unit A, Sec. 34, T-17-S, R-35-E, and the No. 2 State BA Well, located in Unit H, Sec. 34, T-17-S, R-35-E, Roosevelt County.

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ORDERS ENTERED

LEA COUNTY

Unorthodox Oil Well Location and a Non-Standard Oil Spacing and Proration Unit (Case 12817)

TMBR/Sharp Drilling, Inc. has received an order to establish a non-standard 160-acre oil spacing and proration unit comprising the S/2 NW and N/2 SW/4 of Sec. 10, T-14-S, R-34-E, Lea County, within the Undesignated East Saunders Permo-Pennsylvanian Pool, Lea County. This is Order No. R-11854; the hearing was held February 21, 2002.

CHAVES COUNTY

Bring Eight Wells Into Compliance (Case 12862)

N. Dale Nichols has received an order to bring four wells into compliance and to dismiss application for 4 other wells to bring them into compliance. This is Order No. R-11859; the hearing was held November 5, 2002.

LEA COUNTY

Plug and Abandon Two Wells (Case 12946)

Gladstone Resources, Inc. has received an order to direct the commencement of plugging operations on the No. 1 McGarrity Well located 660 feet from the South line and 2310 feet from the West line (Unit N) of Sec. 6, T-20-S, R-38-E, Lea County. This is Order No. R-11860; the hearing was held November 5, 2002.

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ADMINISTRATIVE ORDERS

RIO ARRIBA COUNTY

Downhole Commingling (Order DHC-659-B) (Amended)

Caulkins Oil Company has received an exception to Rule 303-A for the No. 62-M State "A" Well, located in Unit D, Sec. 2, T-26-N, R-6-W, Basin-Dakota, Undesignated South Blanco-Tocito and Blanco-Mesaverde Pools, Rio Arriba County, to permit commingling from the pools in the wellbore. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be based 3 percent oil, 5 percent gas for the Blanco-Mesaverde Prorated Gas Pool; 86 percent oil, 71 percent gas for Undesignated South Blanco-Tocito Oil Pool; 11 percent oil, 24 percent gas for the Basin-Dakota Prorated Gas Pool. This is Order DHC-659-B, signed November 8, 2002.

RIO ARRIBA COUNTY

Downhole Commingling (Order DHC-1868-A) (Amended)

Caulkins Oil Company has received an exception to Rule 303-A for the No. 8-M Breech "F" Well, located in Unit O, Sec. 34, T-27-N, R-6-W, Basin-Dakota, Undesignated South Blanco-Tocito and Blanco-Mesaverde Pools, Rio Arriba County, to permit commingling from the pools in the wellbore. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be based 6 percent oil, 10 percent gas for the Blanco-Mesaverde Prorated Gas Pool; 75 percent oil, 56 percent gas for Undesignated South Blanco-Tocito Oil Pool; 19 percent oil, 34 percent gas for the Basin-Dakota Prorated Gas Pool. This is Order DHC-1868-A, signed November 8, 2002.

LEA COUNTY

Downhole Commingling (Order DHC-3063)

Xeric Oil & Gas Corporation has received an exception to Rule 303-A for the No. 1 Porfidio State Well, located in Unit M, Sec. 17, T-20-S, R-39-E, Undesignated D-K-Drinkard and Undesignated D-K-Abo Pools, Lea County, to permit commingling from the pools in the wellbore. Each of the commingled pools shall be allowed to produce up to the top oil allowable and top casinghead gas allowable applicable for that pool. Assignment of allowable to the well and allocation of production from the well shall be based 55 percent oil, 38 percent gas for the Undesignated D-K-Drinkard Pool; 45 percent oil, 62 percent gas for the Undesignated D-K-Abo Pool. This is Order DHC-3063, signed November 7, 2002.

SAN JUAN COUNTY

Downhole Commingling (Order DHC-3064)

Conoco, Inc. has received an exception to Rule 303-A for the No. 26E State Com AD Well, located in Unit I, Sec. 36, T-29-N, R-11-W, Basin-Dakota, Armenta-Gallup and Otero-Chacra Pools San Juan County, to permit commingling from the pools in the wellbore. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be based 0 percent oil, subtraction method for gas for the Otero-Chacra Gas Pool; 100 percent oil, established decline method for gas for the Armenta-Gallup Oil Pool; 0 percent oil, established decline method for gas for the Basin Dakota Proration Gas Pool.

The Dakota gas has an established 20-year decline rate, which shall be used for future production numbers (established decline). The Gallup gas shall be derived from subtracting the Dakota gas from the Combined Gallup-Dakota production rate as established in the past several months (established decline). The Otero gas shall be derived from the total well stream gas production minus the combined Gallup-Dakota established production rate (subtraction method). This is Order DHC-3064, signed November 8, 2002.

RIO ARRIBA COUNTY

Downhole Commingling (Order DHC-3065)

Conoco, Inc. has received an exception to Rule 303-A for the No. 35A San Juan 28-7 Unit Well, located in Unit C, Sec. 1, T-27-N, R-7-W, South Blanco-Pictured, Basin-Fruitland Coal, and Blanco-Mesaverde Pools, Rio Arriba County, to permit commingling from the pools in the wellbore. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be determined following the wells completion. This is Order DHC-3065, signed November 8, 2002.

RIO ARRIBA COUNTY

Downhole Commingling (Order DHC-3066)

Conoco, Inc. has received an exception to Rule 303-A for the No. 52A San Juan 28-7 Unit Well, located in Unit P, Sec. 27, T-28-N, R-7-W, South Blanco-Pictured, Basin-Fruitland Coal, and Blanco-Mesaverde Pools, Rio Arriba County, to permit commingling from the pools in the wellbore. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be determined following the wells completion. This is Order DHC-3066, signed November 8, 2002.

SAN JUAN COUNTY

Downhole Commingling (Order DHC-3067)

Merrion Oil & Gas Corporation has received an exception to Rule 303-A for the No. 2 Katy Com Well, located in Unit P, Sec. 26, T-30-N, R-12-W, Basin-Fruitland Coal and Aztec-Pictured Cliffs Pools, San Juan County, to permit commingling from the pools in the wellbore. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be determined following the wells completion. This is Order DHC-3067, signed November 8, 2002.

SAN JUAN COUNTY

Downhole Commingling (Order DHC-3068)

Merrion Oil & Gas Corporation has received an exception to Rule 303-A for the No. 2 Chucky Well, located in Unit I, Sec. 23, T-30-N, R-12-W, Basin-Fruitland Coal and Undesignated Aztec-Pictured Cliffs Pools, San Juan County, to permit commingling from the pools in the wellbore. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be determined following the wells completion. This is Order DHC-3068, signed November 8, 2002.

RIO ARRIBA COUNTY

Downhole Commingling (Order DHC-3069)

Energen Resources Corporation has received an exception to Rule 303-A for the No. 3R Jicarilla 99 Well, located in Unit B, Sec. 13, T-26-N, R-3-W, Blanco-Mesaverde and Gavilan-Pictured Cliffs Pools, Rio Arriba County, to permit commingling from the pools in the wellbore. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be determined following the wells completion. This is Order DHC-3069, signed November 8, 2002.

RIO ARRIBA COUNTY

Downhole Commingling (Order DHC-3070)

Energen Resources Corporation has received an exception to Rule 303-A for the No. 7A Jicarilla 99 Well, located in Unit F, Sec. 13, T-26-N, R-3-W, Blanco-Mesaverde and Gavilan-Pictured Cliffs Pools, Rio Arriba County, to permit commingling from the pools in the wellbore. The maximum amount of gas which may be produced daily from the well shall be determined by Division Rules and Regulations or by the gas allowable for each respective prorated pool as printed in the Division's San Juan Basin Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be determined following the wells completion. This is Order DHC-3070, signed November 8, 2002.

EDDY COUNTY

Non-Standard Location (Order NSL-4643-A)

Fasken Oil and Ranch, Ltd. has received an order for the No. 4 Ross Federal Com Well, located approximately one mile from the outer boundary of the Seven Rivers Hills-Atoka Gas Pool, which is currently governed by the provisions of Division Rule No. 104(C)(2). Further, Lots 9 through 16 of Sec. 4 will be dedicated to the well in the Atoka formation forming a standard 320-acre gas spacing and proration unit. This is Order NSL-4643-A, signed November 14, 2002.

LEA COUNTY

Non-Standard Location (Order NSL-4806)

EOG Resources, Inc. has received an order for an unorthodox gas well location in the Upper Pennsylvanian formation, for its No. 1 Green Drake "9" Well to be drilled at a location 2310 feet from the South line and 2280 feet from the East line (Unit J) of Sec. 9, T-16-S, R-37-E, Lea County. the W/2 SE/4 of Sec. 9, T-16-S, R-37-E, Lea County, being a standard 80-acre gas spacing and proration unit in the Undesignated Northeast Lovington-Upper Pennsylvanian Pool is to be dedicated to this well. This is Order NSL-4806, signed November 6, 2002.

EDDY COUNTY

Non-Standard Location (Order NSL-4807)(SD)

Marathon Oil Company has received an order for its proposed No. 50 Indian Hills Unit Well to be drilled as a vertical infill well to an unorthodox location within an existing standard 320-acre spacing and proration unit, Units c, D, E, F, K, L, M, and N (W/2 equivalent) of Sec. 16, T-21-S, R-24-E, Eddy County. The applicant is also authorized to simultaneously dedicate production attributed to the Indian Basin-Upper Pennsylvanian Associated Pool from the No. 32 Indian Hills Unit Well and from the proposed No. 50. This is Order NSL-4807(SD), signed November 7, 2002.

EDDY COUNTY

Non-Standard Location (Order NSL-4808)

Yates Petroleum Corporation has received an order for an unorthodox gas well location for the No. 1 Tortoise "ASB" Com Well, located 1980 feet from the North line and 2250 feet from the East line (Unit G) of Sec. 29, T-23-S, R-24-E, Eddy County. The E/2 of Sec. 29 will be dedicated to this well. This is Order NSL-4808, signed November 7, 2002.

EDDY COUNTY

Non-Standard Location (Order NSL-4809)

Devon Energy Production Company, L.P. has received an order for an unorthodox Bone Spring oil well location for its proposed No. 7 H. B. 11 Federal Well to be drilled 2550 feet from the South line and 1600 feet from the West line (Unit K) of Sec. 11, T-24-S, R-29-E, Eddy County. The NE/4 SW/4 of Sec. 11 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for the East Pierce Crossing-Bone Spring Pool. This is Order NSL-4809, signed November 13, 2002.

LEA COUNTY

Pool Commingling (Order PLC-220)

Xeric Oil & Gas Corporation is authorized to surface commingle oil, water, and gas production from the following leases:

T-20-S, R-29-E

DK-Abo,
Unit D, Sec. 20
Unit M, Sec. 17

DK-Drinkard
Unit D, Sec. 20
Unit M, Sec. 17

The following wells are included in this commingle:

No. 1 Profidio State Well, Unit M, Sec. 17, T-20-S, R-39-E, Undesignated D-K Drinkard and Undesignated D-K-Abo Pools;

No. 1 Julio State Well, Unit D, Sec. 20, T-20-S, R-39-E, Undesignated D-K-Abo, Undesignated D-K-Drinkard Pools, located in Lea County. This is order PLC-220, signed November 13, 2002.

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NORTHWESTERN NEW MEXICO

Operator
& Well No. Location Remarks

NEW LOCATIONS:

SAN JUAN COUNTY:

Dugan Prod. Corp. #4 Molly Pitcher SWD	14-30N-14W 2610/N; 425/E	SWD Mesaverde.
Devon Energy Prod. Co., LP #73M Northeast Blanco Unit	35-31N-7W 1305/N; 1500/W	Blanco MV; Basin Dakota.
Burlington Res. O&G Co. #100 McCord B	23-30N-13W 1140/S; 1170/W	Fulcher Kutz PC; Basin Fruitland.
BP America Prod. Co. #4B Barrett LS	20-31N-9W 2145/S; 1365/E	Blanco Mesaverde.
BP America Prod. Co. #3B Barrett LS	20-31N-9W 2330/S; 1000/W	Blanco Mesaverde.
Devon Energy Prod. Co., LP #65A Northeast Blanco Unit	11-31N-7W 865/S; 1120/E	Blanco MV; Basin Dakota.
Texakoma Oil & Gas Corp. #1 Blackhills 16	16-26N-13W 772/S; 701/E	Basin Fruitland Coal.

COMPLETIONS:

SAN JUAN COUNTY

Dugan Prod. Corp. #4 Faith	18-27N-13W 1850/S; 1850/W	WAW Fruitland Sand PC; Completed 3/5/85.
Richardson Operating Co. #1 Ropco 8	8-29N-14W 850/N; 1850/E	Twin Mounds Fruitland Sand PC; Completed 7/1/02.
Coleman Oil & Gas Inc. #41 Juniper 17	17-24N-10W 900/N; 1140/E	Basin Fruitland Coal; Completed 5/31/02.
Coleman Oil & Gas Inc. #14 Juniper 9	9-24N-10W 1075/S; 975/W	Basin Fruitland Coal; Completed 6/3/02.
Burlington Res. O&G Co. #6M Sunray H Com.	11-30N-10W 1170/S; 1855/E	Blanco-Mesaverde; Completed 7/26/02.
Richardson Operating Co. #3 RPC 18	18-29N-13W 1048/S; 724/W	Kutz, West-Pictured Cliffs; Completed 6/24/02.
Phillips Pet. Co. NW #264 San Juan 32 8 Unit	9-32N-8W 2469/S; 663/W	Basin Fruitland Coal; Completed 8/18/02.
Elm Ridge Resources Inc. #1R Kelly F C	12-27N-13W 765/S; 800/W	Basin Fruitland Coal; Completed 7/3/02.
Cordillera Energy, Inc. #1B Arnstein	18-31N-12W 2460/N; 660/W	Basin Dakota; Completed 7/23/02.
Cordillera Energy, Inc. #1B Arnstein	18-31N-12W 2460/N; 660/W	Blanco-Mesaverde; Completed 7/23/02.
Elm Ridge Res. Inc. #1R Kelly Ind.	12-27N-13W 780/S; 780/W	Basin Dakota; Completed 7/2/02.
XTO Energy, Inc. #1F State Gas Com BR	2-29N-10W 1965/N; 1600/E	Basin Dakota; Completed 8/16/02.
XTO Energy, Inc. #1F State Gas Com BR	2-29N-10W 1965/N; 1600/E	Blanco-Mesaverde; Completed 8/16/02.
Dugan Prod. Corp. #1 Locke SWD	3-29N-14W 1120/S; 1120/E	SWD-Mesaverde; Completed 6/11/02.

NORTHWESTERN NEW MEXICO, continued

Operator
& Well No. Location Remarks

TEMPORARY ABANDONMENTS:

RIO ARRIBA COUNTY

Mallon Oil Co. 4-29N-3W Cabresto Canyon Tertiary; Effective date 5/31/02.
#1 Jicarilla 451 4 1791/N; 1549/E

SAN JUAN COUNTY

BP America Prod. Co. 15-29N-9W Blanco Pictured Cliffs; Effective date 3/29/01.
#3 A L Elliott C 930/N; 1700/E

SOUTHEASTERN NEW MEXICO

HOBBS AREA

COMPLETIONS:

CHAVES COUNTY

Yates Pet. Corp. 11-6S-25E Pecos Slope Pool; Spd. 3/18/01; Compl. 6/19/01; Elev. 3892 GR;
#6 South Alkali LK Federal 660/S; 660/W TD 5,500; PBTB 4,900; Top Pay (Abo) 3720; perfs 3720-3966,
4994-5063; Treat 2500 gals. 7.5% Hcl., frac w-226,000 gals. 65q
N2 foamed 35# gelled 7% Kcl. Wtr. Carrying 418000# sd.; IP
7/4/01; Compl. 24 hrs., 0 BO, 13 BW, 604 MCF, 22-64" Ch., TP
320; Csg. 11 @ 933 w/600; 4 @ 5500 w/1000; 2-3/8 @ 3711; Tops:
SA 565, Glo. 1500, Yeso 1605, Tubb 3042, Abo 3676, WC 4450,
Cisco 4967 Penn. 5032, Basement 5297.

EDDY COUNTY

Ocean Energy Inc. 5-16S-28E East Diamond Mound; Spd. 7/3/01; Compl. 9/3/01; Elev. 3687 GL
#5 Derrick Fed Com 1900/S; 860/E TD 9,580; PBTB 9015; Top Pay (Strawn) 8884; perfs 8884- 8895;
Treat frac w-47000 gals. 70q bil. Foam w-491210# 20/40; IP
9/9/01: Flow, 24 hrs, 308 MCF, 48/64" Ch., TP 130; Csg. 13-3/8 @
532 w/495; 8-5/8 @ 2005 w/675; 5 @ 9580 w/800; 2-3/8 @ 8809;
Tops: Glo. 3190, Tubb 4570, Abo 5338, WC 6552, Strawn 8416,
Atoka 8878, Morrow 9050, Chester 9504.

Yates Pet. Corp. 27-17S-25E East Eagle Creek; Spd. 3/28/00; Compl. 6/17/00; Elev. 3534 GR;
#10 Federal "LDY" Deep 2100/N; 1980/W TD 8,470; PBTB 8,429; Top Pay (Atoka Morrow) 8033; perfs
8033-8039; Treat 2,500 gals. Hcl. & BS; IP 6/17/01: Flow, 24 hrs.,
150 MCF, 14/64" Ch., TP 349, CP 1400; Gty. 43.6; Csg. 13-3/8 @
355 w/400; 9-5/8 @ 1208 w/700; 4 @ 8476 w/2360; 2-3/8 @ 7686;
Tops: SA 774, Glo. 2152, Yeso 2294, Abo 4122, WC 5332, Cisco
6376, Canyon 7276, Strawn 7734, Atoka 8015, Morrow 8187,
Austin Cycle 8322, Chester 8341.

Anadarko Pet. Corp. 29-17S-30E Loco Hills; Spd. 10/5/01; Compl. 11/20/01; Elev. 3620 GL; TD
#1 Pinto "29" Federal 330/N; 1980/E 5145; PBTB 5057; Top Pay (Paddock) 4619; perfs 4619-4673;
Treat 9950 gals. Hcl. + 60 BS + 7 bbls. brine w-500# BS; IP
1/24/02: Pump, 24 hrs., 20 BO, 111 BW, 23 MCF; Csg. 8-5/8 @
466 w/350; 5 @ 5057 w/1475; 2-7/8 @ 4701; Tops: SR 1598, Qu.
2508, GB 2768, SA 3098, Pad. 4547.

Marbob Energy Corp. 18-17S-31E Cedar Lake; Spd. 3/18/02; Compl. 4/11/02; Elev. 3749 GR; TD
#2 Coffee Federal 2410/N; 2046/W 5201; PBTB 5188; Top Pay (Yeso) 4694; perfs 4694-5006; Treat
acidize w-2000 gals. 15% Hcl.; IP 4/16/02: Pump, 24 hrs., 53 BO,
79 BW, 89 MCF; Csg. 13-3/8 @ 420 w/450; 8-5/8 @ 1393 w/600; 5
@ 5201 w/1000; 2-7/8 @ 4668; Tops: Yates 1490, Qu. 2374, SA
3089, Glo. 4580.

Marbob Energy Corp. 9-19S-28E South Millman; Spd. 6/24/01; Compl. 8/18/01; Elev. 3546 GR; TD
#1 OXY Ruger State 660/S; 660/W 11,223; PBTB 11,126; Top Pay (Morrow) 10975; perfs 10975-
10977; Treat None; IP 8/16/01: Flow, 24 hrs., 538 MCF, 6/64" Ch.,
TP 2625; Csg. 13-3/8 @ 435 w/351; 9-5/8 @ 3028 w/1050; 5 @
11220 w/350; 2-3/8 @ 10879; Tops: Rustler 474, Yates 882, Qu.
1583, SA 2430, BS 3318, WC 8575, Strawn 9947, Atoka 10240,
Morrow 10,663.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS AREA, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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COMPLETIONS, continued:

EDDY COUNTY, continued:

Marbob Energy Corp. #1 MJ State	2-18S-27E 330/N; 330/W	NE Red Lake Pool; Spd. 11/8/01; Compl. 12/21/01; Elev. 3606 GR; TD 3875; PBSD 3846; Top Pay (Glo.-Yeso) 3137; perfs 3137-3670; Treat acidize w-3000 gals. 15% Hcl. w-add.; IP 12/29/01: Pump, 24 hrs., 15 BO, 4 BW, 48 MCF; Csg. 8-5/8 @ 370 w/350; 5 @ 3859 w/68; 2-7/8 @ 3136; Tops: Qu. 904, SA 1636, Glo. 3023.
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LEA COUNTY

Dominion OK TX Expl. & Prod. Inc. #1 Lea 20 St. Com	20-17S-35E 990/N; 1980/E	N. Vacuum Atoka Morrow Pool; Spd. 3/7/02; P&A 4/13/02; Elev. 3975 GL; TD 12,296; Csg. 13-3/8 @ 434 w/350; 8-5/8 @ 5095 w/1900; Tops: Glo. 6160, WC 9474, Cisco 10,620, Strawn 11424, Atoka 11738, Morrow 12120, Chester 12179.
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Apache Corp. #6 State "A"	32-18S-38E 990/N; 1817/E	Hobbs Pool; Spd. 5/26/02; Compl. 7/5/02; Elev. 3641 GL; TD 7,150; PBSD 7098; Top Pay (Drinkard) 6649; perfs 6649-6978; Treat 4526 gals. 15% Hcl., frac w-54,802 gals. gel & 29700# 16/30 sd.; IP 7/16/02: Pump, 24 hrs., 23 BO, 120 BW, 70 MCF, GOR 3043, Csg. 8-5/8 @ 1510 w/164; 5 @ 7146 w/n/a; 2-7/8 @ 7004; Tops: Rustler 1494, Yates 2612, SR 2906, Qu. 3374, SA 3863, Glo. 5197, Bli 5640, Tubb 6426, Drk. 6630, Abo 6990.
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Texland Pet.-Hobbs LLC #26 W D Grimes (NCT-A)	32-18S-38E 518/N; 910/W	Hobbs Pool; Spd. 5/24/02; Compl. 6/19/02; Elev. 3638 GL; TD 6,050; Top Pay (U-Blinebry) 5830' perfs 5830-5981; Treat acidize w-5000 gals. 15% Hcl. & BS; IP 7/3/02: Pump, 24 hrs., 0 BO, 261 BW, 0 MCF; Csg. 8-5/8 @ 1527.5 w/800; 5 @ 6,050 w/1510; 2-7/8 @ 5829; Tops: Glo. 5336, Bli. 5741.
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Lynx Pet. Cons. Inc. #2 Hawkeye 7 Federal	7-19S-32E 1650/S; 1980/E	Lusk Pool; Spd. 4/11/02; Compl. 7/10/02; Elev. 3620 GL; TD 12,580; PBSD 11,240; Top Pay (Bone Spring) 9699; perfs 9699-9703; Treat 2000 gals. 15% Hcl.; IP 6/24/02: Pump, 24 hrs., 0 BO, 4 BW, 0 MCF; Csg. 13-3/8 @ 846 w/700; 8-5/8 @ 4500 w/2236; 5 @ 12,580 w/1770; 2-7/8 @ 9730; Tops: X 1025, BZX 2450, Yates 2810, Dela. 5170, BS 6955, 1 st BS 8256, 2 nd BS 9007, 3 rd BS 9790, WC 10210, Strawn 11,157, Atoka 11,484, Morrow 11,835.
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OLD WELLS RECOMPLETED AND DUAL COMPLETED:

LEA COUNTY

Yates Pet. Corp. #1 Ruby "ASV" State	15-16S-32E 1650/N; 700/W	Recomplete from Anderson Ranch Penn to Anderson Ranch Wolfcamp; perfs 9543-64, 9843-9913, acidize w-2000 gals. 15% Hcl. & 45 BS; set CIBP @ 9780 w/35' cmt.; prod. Perfs 9543-9564; Ret. to Prod. Reported; Orig. well data: Spd. 10/25/98; Elev. 4291 GL; TD 12,517; Csg. 11 @ 400 w/400; 8-5/8 @ 4580 w/1875; 5 @ 12,517 w/1075; Tops: N/A.
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Chevron USA Inc. #5 G L Erwin (b) Federal NCT-1	26-24S-37E 660/N; 2130/E	Recomplete from Justis Blinebry to Langlie Mattix SR-Qu-GB; perfs 3561-3632, acidize w-3500 gals. 20% NEFE; set 2-3/8 tubing @ 3512; Ret. to prod. No test reported; Orig. well data: Spd. 11/4/66; Elev. 3198 GL; TD 5950; Csg. 7-5/8 @ 974 w/400; 4 @ 5950 w/800; Tops: A 903, X 1078, BX 2330, Y 2465, SA 3763, Glo. 4844, Bli. 5195, Tubb 5862.
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ZONE ABANDONMENTS:

LEA COUNTY

Paladin Energy Corp. #1 State BT P	34-11S-3E 1980/N; 660/W	Bagley, North-Permo Penn; Zone abandoned 7/12/02.
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Phillips Pet. Co. #7 Leamex Battery 2	23-17S-33E 1980/N; 1976/W	Leamex-Penn; Zone abandoned 6/11/02.
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Rhombus Operating Co. Ltd. #101 Northwest Eumont Unit	11-19S-36E 1980/S; 660/W	Eumont Yates-Seven Rivers-Queen; Zone abandoned 8/9/02.
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SOUTHEASTERN NEW MEXICO, continued:

HOBBS AREA, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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ZONE ABANDONMENTS, continued:

LEA COUNTY, continued:

Rhombus Operating Co. Ltd. #124 Northwest Eumont Unit	22-19S-36E 1988/N; 662/E	Eumont Yates-Seven Rivers-Queen; Zone abandoned 8/9/02.
Rhombus Operating Co. Ltd. #130 Northwest Eumont Unit	23-19S-36E 2318/S; 1656/W	Eumont Yates-Seven Rivers-Queen; Zone abandoned 8/9/02.
Oxy USA WTP Limited Partnership #177 Myers Langlie Mattix Unit	5-24S-37E 660/S; 990/W	Langlie Mattix-Seven Rivers-Queen-Grayburg; Zone abandoned 8/2/02.
BTA Oil Producers #3 French 9004 JV-P	24-18S-32E 1980/N; 510/E	Corbin, South-Wolfcamp; Zone abandoned 2/4/94.

TEMPORARY ABANDONMENTS:

LEA COUNTY

Stearns #2 Markham SWD	11-9S-35E 660/S; 660/E	SWD-Bough C; Effective date 8/15/02
Doyle Hartman #5 Britt-Laughlin Com	5-20S-37E 330/S; 2310/E	Eumont Yates Seven Rivers-Queen; Effective date 8/21/02.
Doyle Hartman #4 Britt-Laughlin Com	8-20S-37E 660/N; 660/E	Eumont Yates Seven Rivers-Queen; Effective date 8/21/02.
Doyle Hartman #6 Britt B 8	8-20S-37E 330/N; 2310/W	Monument-Blinebry; Effective date 8/21/02.
Occidental Permian Ltd. #112 North Hobbs G-SA Unit	19-18S-38E 990/N; 990/W	Hobbs-Grayburg-San Andres; Effective date 8/8/02.
Chaparral Energy Inc. #2 South Langlie Jal Unit	7-25S-37E 1650/S; 1939/W	Jalmat-Tansill-Yates-Seven Rivers; Effective date 8/22/02.
Chevron USA Inc. #128 Vacuum Grayburg San Andres Unit	1-18S-34E 1980/S; 1220/E	Vacuum-Grayburg-San Andres; Effective date 8/15/02.
Occidental Permian Ltd. #613 North Hobbs G-SA Unit	24-18S-37E 1724/S; 510/W	Hobbs-Grayburg-San Andres; Effective date 8/16/02.
Xeric Oil & Gas Corp. #119 West Pearl Queen Unit	29-19S-35E 1980/S; 660/E	Pearl-Queen; Effective date 8/6/02.
Xeric Oil & Gas Corp. #112 West Pearl Queen Unit	29-19S-35E 1980/N; 1980/W	Pearl-Queen; Effective date 8/6/02.
Xeric Oil & Gas Corp. #143 West Pearl Queen Unit	33-19S-35E 660/N; 660/E	Pearl-Queen; Effective date 8/6/02.
Gruy Pet. Management Co. #1 Lankford	25-23S-36E 1650/N; 1650/E	Langlie Mattix-Seven Rivers-Queen-Grayburg; Effective date 8/12/02.
Xeric Oil & Gas Corp. #11 Mesa Queen Unit	17-16S-32E 1650/S; 2310/W	Mesa-Queen; Effective date 8/6/02.
Xeric Oil & Gas Corp. #20 Mesa Queen Unit	17-16S-32E 990/S; 670/E	Mesa-Queen; Effective date 8/6/02.
Xeric Oil & Gas Corp. #164 West Pearl Queen Unit	32-19S-35/E N/A	Pearl-Queen; Effective date 8/6/02.
Gruy Pet. Mgmt. Co. #3 Langlie Mattix Queen Unit	10-25S-37E 990/S; 890/W	Langlie Mattix-Seven Rivers-Queen-Grayburg; Effective date 8/8/02.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS AREA, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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TEMPORARY ABANDONMENTS, continued:

LEA COUNTY, continued:

Kenson Oper. Co., Inc. #76 Langlie Jal Unit	9-25S-37E 1980/N; 660/W	Langlie Mattix-Seven Rivers-Queen-Grayburg; Effective date 6/1/02.
Xeric Oil & Gas Corp. #12 East Pearl Queen Unit	21-19S-35E 660/S; 1980/E	Pearl-Queen; Effective date 7/30/02.
Xeric Oil & Gas Corp. #11 East Pearl Queen Unit	21-19S-35E 660/S; 1980/W	Pearl-Queen; Effective date 7/30/02.
Xeric Oil & Gas Corp. #16 East Pearl Queen Unit	22-19S-35E 660/S; 1980/E	Pearl-Queen; Effective date 7/30/02.
Xeric Oil & Gas Corp. #15 East Pearl Queen Unit	22-19S-35E 660/S; 1980/W	Pearl-Queen; Effective date 7/30/02.
Xeric Oil & Gas Corp. #8 East Pearl Queen Unit	22-19S-35E 1980/S; 1980/W	Pearl-Queen; Effective date 7/30/02.

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