

**DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 25, 2005**

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

Santa Fe, New Mexico

Docket Nos. 28-05 and 29-05 are tentatively set for September 8, 2005 and September 22, 2005. Applications for hearing must be filed at least 23 days in advance of hearing date. OCD Rule 1208.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Friday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Friday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

**CASE 13537:** *Application of Lance Oil & Gas Company, Inc. for Compulsory Pooling Including Optional Infill Well Provisions, San Juan County, New Mexico.* Applicant seeks an order pooling all mineral interests to the Fulcher Kutz-Pictured Cliffs formation and the Basin Fruitland Coal-Gas Pool underlying the following described acreage in Section 22, Township 29 North, Range 13 West: (a) the W/2 of this section to form a standard 320-acre gas spacing and proration unit for any production from the Basin Fruitland Coal Gas Pool to be dedicated to its FRPC "22" Well No. 2 (API# 30-045-33160) to be drilled at a standard gas well location in the NW/4 and to its FRPC "22" Well No. 3 to be drilled at a standard gas well location in the SW/4; and (b) the NW/4 and the SW/4 to form two standard 160-acre gas spacing and proration units for any production from the Pictured Cliffs formation, including but not limited to the Fulcher Kutz-Pictured Cliffs Gas Pool with the NW/4 dedicated to the FRPC "22" Well No. 2 and the SW/4 dedicated to the FRPC "22" Well No. 3 both for downhole commingled production from the Basin Fruitland Coal Gas Pool and the Fulcher Kutz-Pictured Cliffs Gas Pool. The applicant also seeks to include provisions for subsequent operations and procedures for an optional "infill" coalbed-gas well. Also to be considered will be the costs of drilling and completing these wells and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Lance Oil & Gas Company, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1.2 miles south from Farmington, New Mexico.

**CASE 13541:** *Application Of Bass Enterprises Production Company 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 N/2 of Section 32, Township 21 South, Range 28 East, in order to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include but are not necessarily limited to the Undesignated East Carlsbad-Wolfcamp, Undesignated East Carlsbad-Strawn, and the Undesignated East Carlsbad-Morrow Gas Pools. This spacing and proration unit is to be dedicated to the Big Eddy Unit Well No. 149 to be drilled at a standard location 1980 feet from the North line and 660 feet from the East line of Section 32 in order to test the Morrow formation. Also to be considered will be the cost of drilling and completion of said well and the allocation of the cost thereof, the 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 5 miles east of Carlsbad, New Mexico.

**CASE 13542:** *This Case will be Dismissed.*

*Application of Yates Petroleum Corporation for Approval of a Non-Standard 307.72 Acre Gas Spacing Unit, Lea County, New Mexico.* Applicant seeks an order approving a 307.72-acre non-standard gas spacing and proration unit in the Mississippian formation comprised of the west half of irregular Section 30, Township 12 South, Range 35 East, to be dedicated to its proposed Ike State Unit Well No. 1 to be drilled at a standard gas well location 1750 feet from the North line and 900 feet from the West line of said Section 30. Said unit is located approximately 10 miles west of Tatum, New Mexico.

**CASE 13527:** *Readvertised. This Case will be Continued to the September 8, 2005, Examiner Hearing.*

*Application of NorthStar Operating Company for approval of a Unit Agreement, Lea County, New Mexico.* Applicant seeks approval of the NorthStar Operating Company East Denton Unit from the surface to the base of the Wolfcamp formation in an area comprising 160 acres of fee lands in the E/2 NW/4 and W/2 NE/4 of Section 8 of Township 15 South, Range 38 East, which is located approximately 15 miles east of Lovington, New Mexico.