

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 5, 2006**8:15 A.M. - 1220 South St. Francis****Santa Fe, New Mexico**

Docket Nos. 03-06 and 04-06 are tentatively set for January 19, 2006 and February 2, 2006. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday 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 Thursday 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 13611: *Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico.* Applicant seeks approval of the Pitney State Exploratory Unit from the surface to the base of the Mississippian formation in an area comprising 12,480 acres of State of New Mexico and Fee lands in Sections 1, 2, 11, 12, 13, 14, 15, 21, 22, 23, 24, 25, 26, 27, 28, 29, 33, 34, 35, and 36 in Township 12 South, Range 35 East, which is located approximately 2 miles west of Tatum, New Mexico.

CASE 13597: *Amended – This case will be dismissed.*

Application of Roca Exploration, Ltd. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the S/2 SE/4 of Section 36, Township 18 South, Range 33 East, for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the EK-Bone Spring Pool. Said unit is to be dedicated to its New Mexico "36" State Well No. 3 to be drilled at a standard location 660 feet from the South and East lines of said Section 36 to a depth sufficient to test all formations from the surface to the base of the Bone Spring 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, provisions governing subsequent operations on the pooled units, 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 10 miles Northeast of Halfway, New Mexico.

CASE 13603: *Amended.*

Application of Devon Energy Corporation for compulsory pooling and withdrawal of approval of an application for permit to drill, Eddy County, New Mexico. Applicant seeks an order from the Division (1) withdrawing its approval of an Application for Permit to Drill, and (2) pooling all mineral interests from the surface through the base of the Wolfcamp formation in the following described acreage in Section 6, Township 17 South, Range 25 East: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing unit within that vertical extent which includes but is not necessarily limited to the Undesignated West Cottonwood Creek-Wolfcamp Gas Pool, and the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent. Said spacing and proration units are to be dedicated to the 1725 Federal Com Well No. 61 (API No. 30-015-34340) currently being drilled from a surface location 660 feet from the North line and 760 feet from the West line of said Section 6 to an appropriate depth to be horizontally drilled in a southerly direction in the Wolfcamp formation for a sufficient distance to enable the well to effectively drain the W/2 of Section 6 and test all formations from the surface to the base of the Wolfcamp 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 operating costs and charges for supervision, designation of Devon Energy Corporation as operator of the well and imposition of a 200% penalty on any working interest owner's share of the costs of drilling and completing the well incurred by Devon, if any, against any working interest owner who does not voluntarily participate in the well. Said area is located approximately 7 miles west of Artesia, New Mexico.

CASE 13598: *Continued from December 15, 2005, Examiner Hearing.*

Application of Hudson Oil Company of Texas, William A. Hudson and Edward R. Hudson for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation through the base of the Morrow formation in the following described acreage in Section 12, Township 17 South, Range 31 East: the N/2 to form a standard 320-acre spacing and proration unit for all formations developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Fren-Morrow Gas Pool; the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent and the NW/4 NW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated East Fren-Paddock Pool. Said units are to be dedicated to its Francotte Federal Well No. 1 to be drilled 660 feet from the North and West lines of said Section 12 to an approximate depth of 12,500 feet. 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 Hudson Oil Company of Texas as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles east northeast of Maljamar, New Mexico.

CASE 13612: *Application of BP America, Inc. for an exception to the well density requirements for the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.* Applicant seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit it to produce the following three Mesaverde wells located in the same quarter section (NE/4) on a standard spacing and proration unit comprised of the East half of Section 28, Township 30 North, Range 8 West:

the Gartner A Well No. 2 (API No. 30-045-09191) located 1650 feet from the North line and 1500 feet from the East line (Unit G) of said section;

the Gartner A Well No. 2B (API No. 30-045-31006) located 2340 feet from the North line and 750 feet from the East line (Unit H) of said section; and

the Gartner A Well No. 2R (API No. 30-045-29137) which was directionally drilled from a surface location 790 feet from the North line and 1840 feet from the East line (Unit B) to a bottomhole location 2580 feet from the North line and 790 feet from the East line (Unit H) of said section.

Said wells are located approximately 4 miles southeast of Archuleta, New Mexico.

CASE 13613: *Application of BP America, Inc. for an exception to the well density requirements for the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.* Applicant seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit it to produce the following three Mesaverde wells located in the same quarter section (SE/4) on a standard spacing and proration unit comprised of the East half of Section 19, Township 29 North, Range 8 West, NMPM:

the Hughes B Well No. 2A (API No. 30-045-22716) located 875 feet from the South line and 1610 feet from the East line (Unit O) of said section;

the Hughes No. 7 Well (API No. 30-045-24032) located 875 feet from the South line and 945 feet from the East line (Unit P) of said section; and

the Hughes B Well No. 2B (API No. 30-045-30937) which was directionally drilled from a surface location 895 feet from the South line and 1650 feet from the East line (Unit O) with a bottomhole location 2350 feet from the South line and 1800 feet from the East line (Unit J) of said section.

Said wells are located approximately 5 miles southwest of Navajo City, New Mexico.

CASE 13614: *Application of BP America, Inc. for an exception to the well density requirements for the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico.* Applicant seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit it to produce the following three Mesaverde wells located in the same quarter section (NW/4) on a standard spacing and proration unit comprised of the West half of Section 14, Township 31 North, Range 11 West:

the Mudge Com B Well No. 2A (API No. 30-045-23063) located 800 feet from the North line and 1580 feet from the West line (Unit C) of said section;

the Mudge B Com Well No. 2 (API No. 30-045-24040) located 1660 feet from the North line and 810 feet from the West line (Unit E) of said section; and

the Mudge B Com Well No. 2M (API No. 30-045-31898) that was directionally drilled from a surface location 2370 feet from the North line and 1680 feet from the West line in the SE/4 NW/4 (Unit F) of Section 14 to a bottomhole location 2634 feet from the North line and 1392 feet from the West line of said section.

Said wells are located approximately 2 miles west of Canyon, New Mexico.