

**DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 18, 2003**

**8:15 A.M. - 1220 South St. Francis  
Santa Fe, New Mexico**

Docket Nos. 1-04 and 2-04 are tentatively set for January 8, 2003 and January 22, 2004. 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 13192:** Application of San Juan Basin Properties LLC for Compulsory Pooling and Approval of a Non-Standard Spacing and Proration Unit, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mesa Verde formation underlying the N/2 of Irregular Section 30, Township 30 North, Range 11 West, forming a non-standard 328.50-acre gas spacing and proration unit for any production from the base of the Pictured Cliff formation to the base of the Dakota formation, including but not limited to the Blanco-Mesaverde Gas Pool, and the Basin-Dakota Gas Pool. This unit is to be dedicated to its Lee Well No. 1, a producing Dakota wellbore that is to be re-entered and tested in the Mesaverde formation at a standard well location in Unit H of this section and/or its Lee Well No. 1E to be drilled as a downhole commingled Mesaverde and Dakota formation well at a standard well location in Unit F. Also to be considered will be the costs of the re-entry, drilling and completion of these wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of San Juan Resources of Colorado, Inc. as the operator of the wells and a 200% charge for risk involved in these wells. This unit is located approximately 3 miles Southwest of Aztec, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

**CASE 13193:** Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 3, Township 22 South, Range 26 East, and in the following manner: The S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Happy Valley-Strawn Gas Pool, Undesignated Happy Valley-Atoka Gas Pool, and Undesignated Happy Valley-Morrow Gas Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's West Carlsbad 3 Well No. 2, to be located at an orthodox location in the SW/4 SW/4 of Section 3. 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 Chi Operating, Inc. as operator of the well, and a cost plus 200% charge for the risk involved in drilling and completing the well. The units are located approximately 3 miles west of Carlsbad, New Mexico.

**CASE 13171:** Continued from November 20, 2003, Examiner Hearing.  
**Application of Leede Operating Company, L.L.C. for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 SE/4 of Section 7, Township 19 South, Range 39 East, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Foster-San Andres Pool and Undesignated Nadine Drinkard-Abo Pool. The unit is to be dedicated to the Schubert "7" Well No. 1, to be drilled at an orthodox oil well location in the NW/4 SE/4 of Section 7. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Sahara Operating Company as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 3 miles southeast of Hobbs, New Mexico.

**CASE 13194:** Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying the following described acreage in Section 22, Township 22 South, Range 27 East, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Carlsbad-Strawn Gas Pool, Undesignated Otis-Atoka Gas Pool, and Undesignated South Carlsbad-Morrow Gas Pool; and the SE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent, including the Undesignated North Cass Draw-Wolfcamp Pool. The units are to be dedicated to applicant's Grandi Well No. 2, to be located at an orthodox location in the NW/4 NW/4 of Section 22. 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 cost-plus 200% charge for the risk involved in drilling and completing the well. The units are located approximately 2 miles north-northeast of Otis, New Mexico.