

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 5, 2004

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

Santa Fe, New Mexico

Docket Nos. 4-04 and 5-04 are tentatively set for February 19, 2004 and March 4, 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 13209: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Tubb State Exploratory Unit for an area comprising 1280.00 acres of State lands in Sections 16 and 17, Township 10 South, Range 34 East, which is located approximately 10 miles southwest of Crossroads, New Mexico.

CASE 13210: Application of Manzano Oil Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation in all formations developed on 320-acre spacing and proration units located in the N/2 of Section 31, Township 20 South, Range 36 East, which includes but is not necessarily limited to the Osudo-Morrow Gas Pool. Said unit is to be dedicated to its Burn'n Rubber State Well No. 1 to be re-entered and drilled to test the Morrow formation at a standard gas well location 1980 feet from the North line and 760 feet from the East line (Unit H) of said Section 31. Also to be considered will be the cost of re-entering, drilling and completing said 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 risk involved in drilling said well. Said area is located approximately 15 miles southwest of Hobbs, New Mexico.

CASE 13205: Continued from January 22, 2004, Examiner Hearing. Application of Saga Petroleum, L.L.C. for an unorthodox infill gas well location and an exception to Division Rule 104.D (3), Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.D (3) in order to simultaneously dedicate production attributed to the Hobbs-Tubb Gas Pool (96946) within an existing 160-acre standard shallow gas spacing unit comprising the SE/4 of Section 33, Township 18 South, Range 38 East, from the following two wells: (i) Conoco State Well No. 3 (API No. 30-025-35961), located at an unorthodox gas well location 2110 feet from the South line and 2055 feet from the East line (Unit J) of Section 33 (*approved by Division Administrative Order NSL-4866, dated April 23, 2003*); and (ii) Conoco State Well No. 4 (API No. 30-025-24005), located at an unorthodox infill gas well location 688 feet from the South line and 2111 feet from the East line (Unit O) of Section 33. This 160-acre unit is located within the city limits of Hobbs with its southeast corner corresponding to the intersection of Marland Boulevard and Grimes Street.

CASE 13175: Continued from December 18, 2003, Examiner Hearing. Application of Permian Resources, Inc. for a Non-Standard Spacing and Proration Unit and an Unorthodox Well Location, Lea County, New Mexico. Applicant seeks authorization to drill its Berry Hobbs Unit 17 Well No. 1 as a wildcat well to test the Morrow formation and the Strawn formation, Undesignated Northeast Shoe Bar Strawn Gas Pool, at an unorthodox well location 2550 feet from the South line and 1950 feet from the East line (Unit J) of Section 17, Township 16 South, Range 36 East. A standard 320-acre spacing unit comprised of the E/2 of Section 17 is to be dedicated to said well in the Morrow formation and a non-standard spacing and proration unit comprised of the SW/4 NE/4 and the NW/4 SE/4 of Section 17 is to be dedicated to the well in the Strawn formation. Said unit is located approximately 1.5 miles southwest of Lovington, New Mexico.

CASE 13063: Continued from January 22, 2004, Examiner Hearing. Application of Trilogy 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 Abo formation in the SE/4 NE/4 of Section 24, Township 19 South, Range 38 East, including but not necessarily limited to the South Nadine-Seven Rivers-Yates, the Nadine-Blinebry, the Nadine-Tubb, and the Nadine-Drinkard-Abo Pools. Applicant proposes to dedicate this pooled unit to its proposed Sapphire Well No. 3, to be drilled at a standard oil well location in the SE/4 NE/4 of said Section 24. 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles south of the city limits of Hobbs, New Mexico.