

New Mexico

Statehouse Reporting Service

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September 2, 2002

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IMPORTANT NOTICE: Examiner hearings have been tentatively been scheduled for September 19 and October 10, 2002. Applications for hearing must be filed at least 23 days in advance of hearing date.

COMMISSION HEARING HELD - AUGUST 30 - SANTA FE

Commission Chairman - Lori Wrotenbery

Commissioner - Jami Bailey

Commissioner - Robert Lee, Ph.D

NMOCC General Counsel Steven Ross

Commission Secretary Florene Davidson

The minutes of the July 19, 2002, Commission hearing were adopted.

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 which the Commission is or may become a participant

Final action may be taken in the following cases:

STATE OF NEW MEXICO

Adoption of Amendments to Division Rule 118 (Case 12897)

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

Discussion: The Commission discussed the draft rule and clarified some language. Commissioners decided, at Chairman Wrotenbery's suggestion, to circulate the draft once again and schedule one more hearing on this rule—a special Commission hearing beginning at 9 a.m. on Friday, September 20. Chairman Wrotenbery said it would be the last hearing on this proposed rule; the record will close at the end of that hearing. Written comments are to be submitted by the close of business on Wednesday, September 18. The Commission anticipates taking final action on the rule at its regular hearing, September 27.

Chairman Wrotenbery said the rule draft will be posted on the Division's website, and copies will be mailed to all persons who have appeared before, if addresses for them can be found. She said the Commission hopes people will read the draft closely and give the Commission some feedback on how it's done in drafting the rule.

Counselor Ross said the Commission especially needs feedback on the extent to which the rule applies to pipelines, Rule 711 facilities and remote facilities.

The case was continued to September 20.

STATE OF NEW MEXICO

Plug Seventeen Wells (Case 12757 - Continued to September 27)

Continued to September 27 is this case, which the Oil Conservation Division, upon its own motion, has called to consider an order requiring Marks and Garner Production Ltd. Co. to properly plug seventeen (17) wells, authorizing the Division to plug said wells in default of compliance by Marks and Garner Ltd. Co., ordering a forfeiture of applicable plugging bond and assessing civil penalties for false production reporting, Eddy County.

Statement: Chairman Wrotenbery said the order was not finalized on this case, but should be ready for the Commission's regular hearing on September 27.

LEA COUNTY

Two Non-Standard Gas Spacing and Proration Units (Case 12622 – Continued to Special Commission Hearing – September 10-11) (De Novo)

Continued to September 10 is the application of Nearburg Exploration Company, L.L.C. seeking an exception to the spacing provisions of Division Rule 104.C (2) to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-Morrow Gas Pool comprising (i) the NE/4 of Sec. 34, T-21-S, R-34-E, Lea County, to be dedicated to the Nearburg Producing Company's existing No. 1 Grama Ridge East "34" State Well, located at a standard gas well location 1548 feet from the North line and 990 feet from the East line (Unit H) of Sec. 34; and (ii) the SE/4 of Sec. 34 to be dedicated to the EOG Resources, Inc. operated No. 1 Llano "34" State Well, located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of Sec. 34. These two wells are located approximately 17 miles west of Eunice, New Mexico. Upon application of Nearburg Exploration Company, L.L.C., this case will be heard De Novo pursuant to the provisions of Rule 1220.

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EXAMINER HEARING SET – SEPTEMBER 5 – SANTA FE

Michael E. Stogner or David R. Catanach – Examiner

EDDY COUNTY

Unorthodox Gas Well Location (Case 12921)

V-F Petroleum Inc. seeks an exception to Division Rule 104.C(2)(b) to permit the simultaneous dedication of the following wells to an existing 320-acre spacing and proration unit in the Morrow formation, East Cedar Lake-Morrow Gas Pool, comprised of the N/2 of Sec. 33, T-17-S, R-31-E

- A. the No. 2 Daneli "33" Federal Well which produces from the Middle Morrow zone at a location 1580 feet from the North line and 760 feet from the West line; and
- B. the No. 2 Dow "B" Federal Well which V-F proposes to re-enter and recomplete in the Lower Morrow zone located at an unorthodox gas well location 660 feet from the North line and 2310 feet from the West line. Said wells are located approximately 7 miles east of Loco Hills, New Mexico.

SAN JUAN COUNTY

Compulsory Pooling (Case 12917 – Continued from August 22)

Synergy Operating, LLC seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the NE/4 of Sec. 25, T-28-N, R-10-W, San Juan County, 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 Fulcher Kutz-Pictured Cliffs Gas Pool. The unit is to be dedicated to the No. 6 Omler Well, to be re-entered and worked over at a location 1190 feet from the North line and 1820 feet from the East line of Sec. 25. 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 southeast of Bloomfield, New Mexico. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

LEA COUNTY

Compulsory Pooling (Case 12922)

David H. Arrington Oil and Gas, Inc. seeks an order pooling all mineral interests underlying the E/2 of Sec. 34, T-15-S, R-34-E, Lea County, and in the following manner: a.) E/2 to form a standard 320-acre stand-up gas spacing and proration unit ("the 320-acre Unit" for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently include but are not necessarily limited to the North Edison-Morrow Gas Pool; b.) SE/4 to form a standard 160-acre spacing and proration unit ("the 160-acre Unit") for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; c.) N/2 SE/4 to form a standard 80-acre stand-up oil spacing and proration unit ("the 80-acre Unit") for any and all formations and/or pools developed on 80-acre spacing within that vertical extent, which presently include but are not limited to the undesignated North Edison Strawn Pool; and d.) NE/4 SE/4 to form a standard 40-acre spacing and proration unit ("the 40-acre Unit") for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, which presently include but are not necessarily limited to the Townsend Permian-Pennsylvanian Pool. Said units are to be dedicated to applicant's proposed No. 1 Huma Huma 34 Well to be drilled at a standard 320-acre spacing and proration unit gas well location 1700 feet from the South line and 950 feet from the East line in the SE/4 of said Sec. 34. 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 10 miles northwest of Lovington, New Mexico.

LEA COUNTY

Compulsory Pooling and Unorthodox Well Location (Case 12890 – Continued from August 22)

Permian Resources, Inc. seeks an order pooling all mineral interests in the Strawn formation, Northeast Shoe Bar-Strawn Pool, underlying the W/2 SE/4 of Sec. 7, T-16-S, R-36-E, to form a standard 80-acre spacing and proration unit to be dedicated to No. 2 Chambers. Also to be considered is 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. Applicant further seeks approval to drill its well at an unorthodox surface location 990 feet from the South line and 1100 feet from the East line to an unorthodox bottomhole location 1350 feet from the South line and 1500 feet from the East line in the NW/4 SE/4 (Unit J) of said Sec. 7. The proposed well location is approximately 4 miles East of Lovington, New Mexico.

LEA COUNTY

Downhole Commingling (OrderDHC-3034)

Yates Petroleum Corporation has received an exception to Rule 303-A for the No. 6 Witz VN State Well, located in Unit D, Sec. 26, T-9-S, R-26-E, Foor Ranch-Wolfcamp and Foor Ranch-Pre Permian Pools, Lea 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 Southeast Basin Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be based 50 percent oil, 90 percent gas for the Foor Ranch-Wolfcamp Gas Pool; 50 percent oil, 10 percent gas for the Foor Ranch-Pre Permian Gas Pool. This is Order DHC-3034, signed August 12, 2002.

LEA COUNTY

Downhole Commingling (OrderDHC-3035)

Yates Petroleum Corporation has received an exception to Rule 303-A for the No. 1 Mocha State Unit Well, located in Unit C, Sec. 2, T-13-S, R-34-E, Wildcat-Mississippian (Gas), and Wildcat-Morrow (Gas) Pools, Lea 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 Southeast Basin Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be based 50 percent oil, 52.6 percent gas for the Wildcat-Mississippian Gas Pool; 50 percent oil, 47.4 percent gas for the Wildcat-Morrow Gas Pool. This is Order DHC-3035, signed August 12, 2002.

LEA COUNTY

Non-Standard Location (Order NSL-4646(BHL) (Amended)

Occidental Permian Limited Partnership has received an order to amend the bottomhole location for the No. 244 South Hobbs (GSA) Unit Well to be 1976 feet from the North line and 10 feet from the West line (Unit E) of Sec. 34, which is 57 feet closer to the common boundary line between the two units that was allowed. This is Order NSL-4646(BHL), amended, signed August 19, 2002.

EDDY COUNTY

Non-Standard Location (Order NSL-4767(SD)(NSBHL)

Devon Energy Production Company, L.P. has received an order for an exception to Rule 2(b) of the special rules and regulations for the Indian Basin-Upper Pennsylvanian Associated Pool, for the recently drilled No. 6 Winston Gas Com. Well, which is located to an unorthodox subsurface location within an existing standard 317.18-acre stand-up spacing and proration unit comprising Lots 1 through 4 and the E/2 W/2 (W/2 equivalent) of Sec. 31, T-21-S, R-24-E, Indian Basin-Upper Pennsylvanian Associated Pool, Eddy County. This unorthodox sub-surface location within the W/2 equivalent of Sec. 31 is approved. This is Order NSL-4767(SD)(NSBHL), signed August 8, 2002.

SAN JUAN COUNTY

Non-Standard Location (Order NSL-4768(NSP)

Cordillera Energy, Inc. has received an order to drill a well as a replacement Blanco-Mesaverde gas well, #1-B Arnstein located 2460 feet from the North line and 660 feet from the West line (Lot 1/Unit D), within the former 156.82-acre unit at an unorthodox gas well location, San Juan County. This is Order NSL-4768(NSP), signed August 19, 2002.

EDDY COUNTY

Non-Standard Location (Order NSL-4769)

OXY USA WTP Limited Partnership has received an order for the No. 2 Chopsticks Federal Well, to be completed in the Wolfcamp formation at an unorthodox oil well location 1010 feet from the South line and 1650 feet from the West line (Unit N) of Sec. 24, T-17-S, R-27-E, Eddy County. The SE/4 SW/4 of Sec. 24 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit for either the Undesignated Empire-Wolfcamp Pool or Undesignated Logan Draw-Wolfcamp Pool. This is Order NSL-4769, signed August 21, 2002.

EDDY COUNTY

Salt Water Disposal (Order SWD-842)

Mack Energy Corporation is authorized to complete its No. 3 Beech Federal Well located 330 feet from the South line and 1775 feet from the East line (Unit O) of Sec. 25, T-17-S, R-27-E, Eddy County, in such a manner as to permit the injection of salt water for disposal purposes into the Abo formation at 6450 feet to 6594 feet through 2 7/8-inch plastic lined tubing set in a packer located at 6400 feet. The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer. The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 1290 psi. This is Order SWD-842, signed August 13, 2002.

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United States Department of the Interior

Bureau of Land Management
New Mexico State Office
1474 Rodeo Road
P.O. Box 27115
Santa Fe, New Mexico 87502-0115

IN REPLY REFER TO:
3120 (930-lbo)

AUG 28 2002

NOTICE OF COMPETITIVE LEASE SALE

**Oil and Gas
SALE LOCATION ADDRESS
Bureau of Land Management
1474 Rodeo Road
Santa Fe, New Mexico 87505**

Notice is hereby given that on **October 16, 2002**, the U.S. Department of the Interior, Bureau of Land Management, New Mexico State Office, will offer for competitive sale, pursuant to Title 43 CFR Part 3120 and procedures herein, certain Federal lands for oil and gas leasing.

LOCATION: The sale will be held in the second floor conference room, at the Bureau of Land Management, 1474 Rodeo Road, Santa Fe, New Mexico 87505. You must be present to bid.

TIME: The competitive oral auction will commence at 9:00 a.m. on **October 16, 2002**. The sale room will be open to the public one hour prior to the time indicated above, to allow each interested party time to obtain a bidding number from authorized Bureau personnel.

REGISTRATION AND BIDDING NUMBERS: Bidders will be required to obtain a bidding number prior to making any bid. Registration of bidders is required to speed paperwork and will commence at 8:00 a.m., October 16, 2002.

LANDS OFFERED: The lands to be offered are described herein. Parcels will be offered for oral bid in the order shown in this Notice of Competitive Lease Sale.

TERMS OF LEASE: Leases awarded as a result of this oral auction will be for a primary term of 10 years, and so long thereafter as there is production in paying quantities. The royalty will be at a flat rate of 12-1/2 percent of the value or the amount of production removed or sold from the lease. Other terms of the lease are specified on the standard lease (Form 3100-11b, October 1992 edition).

OTHER CONDITIONS: Specific surface use stipulations, where applicable, are specified for each parcel in this Notice of Competitive Lease Sale. Such stipulations shall become part of the lease and shall supersede any inconsistent provisions of the lease form. General surface use requirements are contained in law and regulation. Further details regarding the stipulations can be obtained from the New Mexico State Office.

MINIMUM BID: The minimum acceptable bonus bid will be the lump sum equivalent of \$2.00 per acre or fraction thereof.

METHOD OF BIDDING: All bids shall be made orally and be based on a per-acre basis for the entire acreage in the parcel and not on the total bid amount. The bid must be rounded up to the next whole acre if fractional acreage is involved, e.g., a parcel of 644.38 acres will require a minimum bid of at least \$1,290.00 (\$2.00 X 645 acres) to open the bidding process.

FRACTIONAL INTERESTS: For some of the parcels, as indicated in the list, the United States holds less than 100 percent of the oil and gas rights. Any lease issued will be only for the percentages or fractions indicated. However, bonus bids and rentals for such parcels shall be based on the gross acreage in the parcel, not the net U.S. interest. Acreage chargeability and production royalty are, in contrast, calculated on the net U.S. interest.

RIGHT TO WITHDRAW PARCELS FROM SALE: The Bureau of Land Management reserves the right to withdraw any or all of the parcels from the sale prior to or at the oral auction. In the event of cancellation of the sale, every effort will be made to give appropriate notice to all interested parties. If and when any individual parcels are withdrawn, notice thereof will be posted in the Public Room at the New Mexico State Office, 1474 Rodeo Road, Santa Fe, New Mexico 87505.

DETERMINATION OF WINNING BID: A winning bid will be the highest oral bid, equal to or exceeding the national minimum acceptable bid specified above. The decision of the auctioneer shall be final.

PAYMENT OF BONUS BID, RENTAL AND ADMINISTRATIVE FEE: A bid shall not be withdrawn and shall constitute a legally binding commitment to execute the lease bid form and accept a lease, including the obligation to pay the bonus bid, first year's rental, and administrative fee. Winning bidders shall be required to make payment for the parcel on the day of the oral auction for a total amount consisting of: (1) a bonus bid deposit of at least \$2.00 per acre or fraction thereof; (2) the total amount of the first year's annual rental, at a rate of \$1.50 per acre or fraction thereof; and (3) an administrative fee of \$75.00 per parcel. Failure to pay this minimum deposit may result in assessment of civil penalties pursuant to the Federal Oil and Gas Royalty Management Act. This amount must be tendered at the close of business 4:00 p.m. the day of the sale. The entire amount due may be paid at this time. Any unpaid balance of the bonus bid must be received by the New Mexico State Office by the close of business on the tenth (10th) working day following the auction, which is 4:00 p.m., October 30, 2002, or all monies held by BLM and the right to issuance of the lease shall be forfeited. Any parcel so forfeited may be re-offered by BLM competitively at a later oral auction. Successful bidders for the future interest parcels are subject to these same conditions except (2) above in that no rental or royalty shall be due to the United States prior to the vesting of the oil and gas rights in the United States.

FORM OF PAYMENT: Payment shall be made by personal check, certified check, or money order (SUCH FORMS OF PAYMENT MUST BE MADE PAYABLE TO THE DEPARTMENT OF THE INTERIOR - BLM), or by all Major CREDIT CARDS. Payment by cash is NOT allowed.

BID FORM REQUIRED; AVAILABILITY: Pursuant to Title 43 CFR 3120.5, successful high bidders will be required to submit WITH the required payments for each parcel on the day of the oral auction of such parcel, a properly signed current competitive lease bid form (Form 3000-2, October 1989). A separate bid form must be submitted for each parcel. This form is a legally binding offer by the prospective lessee to accept a lease pursuant to the terms and conditions specified herein for the parcel and on the standard lease form. Form 3000-2 may be obtained and executed by the prospective lessee or an authorized representative PRIOR to the oral auction. If the bid form is fully completed before the oral auction, it cannot be modified; portions of the form may be left blank to be completed by the bidder at the auction. If the bid form is not executed prior to the oral auction, the prospective lessee shall be required to complete and sign the bid form at the auction when the payment is tendered. Form 3000-2, when completed, certifies compliance with lessee qualifications (See Title 43 CFR 3102.5-2) and also certifies compliance with 18 U.S.C. 1860, which prohibits unlawful combination of/or intimidation of bidders and certifies that the bid was arrived at independently without unlawful collusion. Forms 3000-2 and 3100-11b are made a part of this sale notice.

AWARD/ISSUANCE OF LEASES: Prospective lessees are advised that leases may be issued, upon signature by the authorized officer, without further action on their part, once all remaining bonus bid monies are timely received. The effective date of the lease shall be the first day of the month following execution of the lease form by the authorized officer, except that leases may, upon written request from the lessee received prior to signature on the lease by the authorized officer, be effective the first day of the month in which issued. Leases for future interest shall be effective as of the date the mineral interests vest in the United States, all else being regular.

UNSOLD PARCELS: Parcels contained in this Notice of Competitive Lease Sale for which no bids are received at the oral auction and no noncompetitive presale offers are pending, and which have not been withdrawn from the sale by BLM, shall be available for regular noncompetitive lease offer in accordance with Title 43 CFR Subpart 3110 for a 2-year period. The 2-year period shall commence at 9:00 a.m., October 17, 2002, the hour the public room opens on the first business day after the auction, and ending at 4:00 p.m., October 16, 2004. All noncompetitive offers received on that first business day following the auction will be considered simultaneously filed. Offers received thereafter shall receive priority as of the date and time of filing, as specified at Title 43 CFR 1821.2-3(a). A drop box will be available at the auction for noncompetitive offers for any parcel which has received no national minimum acceptable bid and all offers placed in the box shall be considered simultaneously filed during the first business day following the close of the oral auction. The drop box will be available until 1 hour following the close of the oral auction. Conflicting applications filed during the first business day following the auction and/or placed in the drop box at the sale will be prioritized by public drawing. This drawing will be held in the BLM Public Room in Santa Fe, NM at 3:00 p.m. on Monday, October 21, 2002.

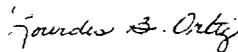
PENDING NONCOMPETITIVE PRESALE OFFERS: A presale noncompetitive offer filed in accordance with Title 43 CFR 3110.1(a) for a parcel offered at the sale, and for which no bid is received, has first priority over an offer filed after the sale. Parties are cautioned that any lands in a parcel not sold at the auction, which are subject to a pending noncompetitive presale offer, may not be available for further noncompetitive filings. Those lands will be issued to the party who submitted the presale offer, all else being regular. However, if it is announced at the beginning of the sale that the presale offer has been withdrawn, noncompetitive filings will be accepted after the sale for that parcel. Parcels with pending noncompetitive presale offers are identified in this Notice of Competitive Lease Sale by the notation "Pending Presale Offer No.", indicated after the parcel description.

PUBLIC NOTICE

Bidders are reminded that a bid shall not be withdrawn and shall constitute a legally binding commitment to execute the lease bid form and accept a lease, including the obligation to pay the bonus bid, first year's rental, and administrative fee. There have been cases in past oral auctions where the minimum deposit due from the high bidder on the day of the auction was not paid, or was paid by a check drawn on an account with insufficient funds. The Bureau of Land Management will be closely monitoring situations of this nature to determine whether further measures should be initiated to protect the integrity of the system.

DUE TO BUDGET RESTRAINTS, EXTRA COPIES OF THE SALE NOTICE WILL NO LONGER BE PROVIDED AT THE SALE. HOWEVER, THEY WILL BE AVAILABLE FOR PURCHASE FROM THE CASHIER.

NOTE: SHOULD ASSISTANCE BE NEEDED FOR THE HEARING OR VISUALLY IMPAIRED, PLEASE CONTACT THE NEW MEXICO STATE OFFICE AT (505) 438-7537 BY October 4, 2002. THE SALE SITE IS ACCESSIBLE TO THE HANDICAPPED.


Lourdes B. Ortiz
Land Law Examiner
Fluids Adjudication Team

NORTHWESTERN NEW MEXICO

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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NEW LOCATIONS:**MCKINLEY COUNTY:**

Robert & Marjorie Wilkinson #60 Jaco	32-20N-9W 500/N 610/W	Blackeye Mesaverde.
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RIO ARRIBA COUNTY

Jicarilla Energy Co. #3 Jaco 85 A	2-23N-4W 645/S; 990/E	S. Lindrith GP Dak.
Jicarilla Energy Co. #2 Jaco 85 A	2-23N-4W 2128/S; 736/W	S. Lindrith Gallup Dakota.
Jicarilla Energy Co. #6 Jaco 85 A	1-23N-4W 330/S; 990/W	S. Lindrith Gallup Dakota.

RE-ENTRY:**RIO ARRIBA COUNTY**

Rio Chama Petroleum, Inc. #3 Harrington Federal	28-24N-1W 990/N; 1650/E	S. Blanco PC.
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COMPLETIONS:**RIO ARRIBA COUNTY**

Pure Resources LP #79A Rincon Unit	17-27N-6W 1110/N; 730/W	Basin Dakota; Completed 4/25/02.
Burlington Res. O&G Co. #170N San Juan 27 5 Unit	34-27N-5W 1100/S; 1980/W	Basin Dakota; Completed 7/12/02.
Burlington Res. O&G Co. #170N San Juan 27 5 Unit	34-27N-5W 1100/S; 1980/W	Blanco-Mesaverde; Completed 7/12/02.
Burlington Res. O&G Co. #65N San Juan 28 5 Unit	28-28N-5W 1530/S; 625/W	Basin Dakota; Completed 4/25/02.
Burlington Res. O&G Co. #65N San Juan 28 5 Unit	28-28N-5W 1530/S; 625/W	Blanco-Mesaverde; Completed 7/19/02.
Burlington Res. O&G Co. #267 San Juan 30 5 Unit	24-30N-5W 2125/N; 990/E	Basin Fruitland Coal; Completed 7/11/02.
Williams Prod. Co., LLC #10B Rosa Unit	13-31N-6W 305/S; 2610/W	Blanco-Mesaverde; Completed 7/3/02.
Phillips Pet. Co. NW #98M San Juan 29 6 Unit	26-29N-6W 1850/S; 790/E	Blanco-Mesaverde; Completed 3/16/02.

PLUGBACK:**RIO ARRIBA COUNTY**

Phillips Pet. Co. NW #18B San Juan 29 6 Unit	5-29N-6W 955/N; 1365/W	Blanco-Mesaverde; Effective date 7/11/02.
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ZONE ABANDONMENTS:**RIO ARRIBA COUNTY**

Phillips Pet. Co. NW #18B San Juan 29 6 Unit	5-29N-6W 955/N; 1365/W	Basin Dakota; Effective date 6/5/02.
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SAN JUAN COUNTY

BP America Production Co. #12 Gallegos Canyon Unit	33-28N-12W 660/N; 660/E	Basin Fruitland Coal; Effective 5/16/02.
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NORTHWESTERN NEW MEXICO, continued:

Operator
& Well No. **Location** **Remarks**

TEMPORARY ABANDONMENTS:

MCKINLEY COUNTY

BC & D Operating Inc. #2 Santa Fe Pacific Railroad	13-17N-9W 1980/S; 660/W	Lone Pine Dakota A (Gas); Effective date 7/29/02.
BC & D Operating Inc. #8 Santa Fe Pacific Railroad	24-17N-9W 740/N; 640/W	Lone Pine Dakota A (Gas); Effective date 7/26/02.
BC & D Operating Inc. #14 Lone Pine Dakota D Unit	13-17N-9W 1980/N; 4620/W	Lone Pine Dakota D; Effective date 7/23/02.

RIO ARRIBA COUNTY

Benson-Montin-Greer Drilling Corp. #16 Canada Ojitos Unit	3-24N-1W 1791/S; 523/W	Puerto Chiquito, West-Mancos; Effective date 7/31/02.
Benson-Montin-Greer Drilling Corp. #26 Canada Ojitos Unit	31-25N-1W 1650/S; 1650/W	Puerto Chiquito, West-Mancos; Effective date 7/31/02.
Burlington Res. O&G Co. #401 San Juan 30 6 Unit	13-30N-7W 1670/S; 830/W	Basin Fruitland Coal; Effective date 4/22/94.
Benson-Montin-Greer Drilling Corp. #35 Canada Ojitos Unit	17-25N-1W 1200/N; 300/W	Puerto Chiquito, West-Mancos; Effective date 7/31/02.

SAN JUAN COUNTY

BP America Production Co. #160 Gallegos Canyon Unit Com D	27-29N-12W 1850/S; 1190/E	Basin Dakota; Effective date 6/19/02.
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NORTHEASTERN NEW MEXICO

SANTA FE DISTRICT

COMPLETIONS:

COLFAX COUNTY

El Paso Energy Raton LLC #1 VPR E	9-31N-19E 1068/N; 951/W	Stubblefield Canyon Raton-Vermejo Gas; Completed 6/16/02.
El Paso Energy Raton LLC #6 VPR E	4-31N-19E 1142/S; 1628/W	Stubblefield Canyon Raton-Vermejo Gas; Completed 6/16/02.
El Paso Energy Raton LLC #7 VPR E	4-31N-19E 1182/S; 1507/E	Stubblefield Canyon Raton-Vermejo Gas; Completed 6/17/02.
El Paso Energy Raton LLC #12 VPR E	4-31N-19E 1019/N; 1092/W	Stubblefield Canyon Raton-Vermejo Gas; Completed 7/5/02.
El Paso Energy Raton LLC #13 VPR E	4-31N-19E 1331/N; 1929/W	Stubblefield Canyon Raton-Vermejo Gas; Completed 6/22/02.
El Paso Energy Raton LLC #18 VPR E	33-32N-19E 1333/S; 1265/W	Stubblefield Canyon Raton-Vermejo Gas; Completed 6/7/02.
El Paso Energy Raton LLC #19 VPR E	33-32N-19E 1105/S; 1269/E	Stubblefield Canyon Raton-Vermejo Gas; Completed 6/12/02.
El Paso Energy Raton LLC #90 VPR D	30-30N-18E 2626/N; 1349/W	Castle Rock Park-Vermejo Gas; Completed 7/2/02.
El Paso Energy Raton LLC #83 VPR D	10-30N-18E 825/S; 1560/E	Castle Rock Park-Vermejo Gas; Completed 5/10/02.
El Paso Energy Raton LLC #85 VPR D	10-30N-18E 1001/N; 1160/W	Castle Rock Park-Vermejo Gas; Completed 5/3/02.

SOUTHEASTERN NEW MEXICO**HOBBS AREA**

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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COMPLETIONS:**CHAVES COUNTY**

McKay Oil Corp. #9 Remmele "B State Com	27-6S-22E 2250/N; 2000/E	West Pecos Slope Pool; Spd. 11/8/97; Compl. 4/27/98; Elev. 4187 GL; TD 2827; PBTB 2827; Top Pay (Abo) 2007; perfs 2007-10, 2714-2768; Treat 89 bbls. Acid 7.5%; P 5/6/98; Flow, 24 hrs., 0 BO, 0 BW, 526 MCF, 16/64" Ch., TP 260, CP 260; Csg. 8-5/8 @ 927 w/300; 4 @ 2827 w/335; 2-3/8 @ 2685; Tops: N/A.
Yates Pet. Corp. #2 Jasper "ARJ" Federal	25-8S-25E 760/N; 2240/E	Foor Ranch Pool; Spd. 8/9/01; Compl. 1/2/02; Elev. 3941 GR; TD 6850; PBTB 6800; Top Pay (Pre-Permian) 6302; perfs 6302-6388 Treat 3400 gals. 15% Hcl.; IP 1/18/02; Flow, 24 hrs., 0 BO, 0 BW, 50 MCF, 9-64" Ch., TP 120, CP Pkr.; Csg. 8-5/8 @ 1003 w/700; 5 @ 6850 w/550; 2-7/8 @ 6205; Tops: Yates 291, SR 396, Qu 814, SA 1282, Glo. 2360, Yeso 2483, Tubb 3918, Abo 4657, WC 5352, Cisco 5946, Strawn 6076, Miss. 6258, Dev. 6488, Basement 6692.
Yates Pet. Corp. #1 Hook AWX State	8-10S-26E 1980/N; 1980/E	(Re-entry of #1 Sink Hole NR St. Com, P&A Old TD 5200); SW Foor Ranch Pool; Re-entered 11-24-00; Compl. 2/13/01; Elev. 3800 GR; TD 6580; PBTB 6535; Top pay (Pre-Permian) 5452; perfs 5452-558, 4974-6018, 6186-6274; Treat acidize w-10250 gals. 15% Hcl + 240 BS; IP 5/7/01; Flow, 24 hrs., 19 MCF, 8-64" Ch., TP 300, CP Pkr.; Csg. 85/ @ 926 w/600; 5 @ 6580 w/1100; 2-7/8 @ 5335; Tops: WC 5129, Cisco 5706, Penn. 5836, Miss. 5930, Ord. 6122, Gr. Wash. 6426.

LEA COUNTY

Yates Pet. Corp. #1 Abigail AUX State	16-10S-34E 845/S; 1170/W	Re-entry of L E Jones Oper. Inc. #1 State 16, P&A, Old TD 11,387; Wildcat Pool; re-entered 4/3/01; P&A 8/22/01; Elev. 4216 GR; TD 3890; Csg. 13-3/8 @ 445 w/445; 8-5/8 @ 4105 w/400; 8-5/8 @ 2257 w/650; Tops: N/A.
Yates Pet. Corp. #1Donner AUH State Com	26-11S-34E 660/N; 1000/E	Eight Mile Draw Pool; Spd. 1/25/00; Compl. 5/23/00; Elev. 4148 GR; TD 12,789; PBTB 12,722; Top Pay (Miss) 12216; perfs 12216-12634; Treat 10,000 gals. 15% Hcl.; IP 5/26/00; Flow, 24 hrs., 3 BO, 10 BW, 63 MCF, 16/64" Ch., TP 1160; CP Pkr.; Csg. 11 @ 404 w/279; 8-5/8 @ 4200 w/1335; 4 @ 12789 w/1500; 2-3/8 @ 12167; Tops: Yates 2807, SR 3016, Qu 3532, SA 4140, Glo. 5573, Tubb 7013, Drk. 7328, Abo 7788, WC 9170, Canyon 10628, Strawn 11,102, Atoka 11,586, Morrow 11,985, Augstin 12,200, Miss. 12,372.
Chevron USA Inc. #1 N. Lusk 32 State	32-18S-32E 330/N; 2258/W; BHL 375 N/ 2147/W	Spd. 11/17/01; Compl. 2/6/02; Elev. 3703 GL; TD 11860; PBTB 11,860; Top Pay (Strawn) 11616; perfs 11616-11712; IP 3/9/00; flow, 24 hrs., 76 BO, 0 BW, 187 MCF, 34/64" Ch., TP 200; Csg. 13-3/8 @ 472 w/450; 9-5/8 @ 4280 w/1635; 5 @ 11860 w/1950; 2-3/8 @ 11,600.
Chevron UA Inc. #3 Love 32	32-19S-37E 330/S; 2310/E	Monument Pool; Spd. 9/25/01; Compl. 3/2/02; Elev. 3559 GL; TD 6660; PBTB 6660; Top Pay (Tubb) 6496; perfs 6494-6583; Treat 3800 gals. 15% 65,000 gals. spectrafrac, 170,000# sd.; IP 3/22/02; Pump, 24 hrs., 55 BO, 61 BW, 26 MCF, GOR 2115; Csg. 11 @ 430 w/350; 8-5/8 @ 2569 w/900; 5 @ 6660 w/895; 2-7/8 @ 6622; Tops: Yates 2506, SR 2772, Qu. 3300, GB 3597, Glo. 5264, Pad. 5469, Bli. 5702, Drk. 6385.
Yates Pet. Corp. #2 Dwight "AZI" State Com	15-9S-32E 1980/S; 1980/E	(Re-entry of Amerada Hess Corp. #1 State S R "B", P&A, Old TD 11125); S.R.R. Atoka; Re-entered 8/10/01; P&A 8/21/01; Elev. 4346 GR; TD 11,360; Csg. 13-3/8 @ 338 w/275; 8-5/8 @ 402-3535 w/1500; Tops: N/A.
Read & Stevens Inc. #2 Meredith State	24-17S-35E 389/N; 660/W	NE Vacuum Blinbry; Spd. 3/31/02; D&A 4/19/01; Elev. 3911 GR; TD 7800; PBTB 3175; Csg. 8-5/8 @ 1790 w/820; 5 @ 6446 w/1440; 2-3/8 @ 2532; Tops: Anhy 1765, BX 2840, Yates 3000, SA 4616, Glo. 6032, Bli. 7020.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS AREA, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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OLD WELLS RECOMPLETED AND DUAL COMPLETED:

LEA COUNTY

Capataz Oper. Inc. #2 Redtag	2-20S-38E 2410/S; 2310/W	Recomplete from House Abo to Wildcat Blinebry; set RPB @ 6100; perfs 5952-6035, acidize w-6000 gals. 20% NEFE; Ret. to Prod. 2/11/02: Pump, 24 hrs., 2.8 BO, 1.2 BW, 986 MCF; Orig. well data: Spd. 7/22/01; Elev. 3570 GL; TD7790; Csg. 8-5/8 @ 1607 w/700; 5 @ 7790 w/1025; Tops: Yates 2872, GB 4148, Bli. 6022, Abo 7122.
Texaco Explor. & Prod. Inc. #2 R R Sims "A"	4-23S-37E 660/S; 1650/W	Recomplete from N. Teague Dr.-Abo to N. Teague San Andres; set CIBP @ 6450; perfs 3938-52, 3900-4004; acidize w-7000 gals. 15% NEFE; set 2-7/8 tubing @ 4030; Ret. to Prod. 1/24/01: Pump, 24 hrs., 10 BO, 45 BW, 7 MCF; Orig. well data: Spd. 5/29/92; Elev. 3313 GR; TD 8965; Csg. 13-3/8 @ 1150 w/900; 9-5/8 @ 3750 w/1965; 5 @ 8780 w/2525; Tops: Anhy 1138, SR 2956, Qu 3385, GB 3674, SA 3988, Glo. 5000, Pad. 5070, Bli. 5446, Tubb 611

ADDITIONAL INFORMATION ON WELLS PREVIOUSLY COMPLETED:

EDDY COUNTY

Devon Energy Prod. Co. LP #5 Eddy "FV" State Com	25-20S-27E 660/S; 810/W	West Burton Flat Strawn Pool; Treat 1500 gals. 20% Hcl + 120 BS; Gty. 54.2; Tops: Dela 2510, BS 4508, 3 rd BS 8234, WC 9666, Cisco 9561, Strawn 9864, Atoka 11,329, Miss. 11,360.
Pogo Prod. Co. #1 Lost Tank "35" State	35-21S-31E 660/S; 660/E	Lost Tank Delaware Pool; Treat Acidize w-1000 gals. 7.5% Hcl., frac w-27000# 20/40 GOR 427;1, Gty. 40.8; Tops: Anhy 4049, Dela 4347, Bell Canyon 4428, Cherry Canyon 5280, Brushy Canyon 6551, BS 7942.
Pogo Prod. Co. #8 Lost Tank "35" State	35-21S-31E 1650/S; 610/W	Lost Tank Delaware Pool; Treat Acidize w-1000 gals. 7.5% Hcl., frac w-130000# 16/30 GOR 827;1, Gty. 40.8; Tops: Anhy. 3937, Dela 4238, Bell Canyon 4354, Cherry Canyon 5178, Brushy Canyon 6477, BS 8143.
Louis Dreyfus Natural Gas Corp. #1 Saragossa "16" St Com	16-23S-26E 660/N; 660/W	Frontier Strawn Pool; Treat 18600 gals. acid, 63 tons CO2 w-700 sx sd.; GOR 134000;1, Gty. 56.3; Tops: Dela 1900, BS 5100, WC 8640, Starwn 10,320, Atoka 10,595, Morrow 11,354.
Bass Enterprises Prod. Co. #7 Hudson "1" Federal	1-23S-30E 1680/N; 1930/W	SE Quahada Ridge Delaware Pool; Treat 91,635 gals. V-30 + 215,000# 16/30 + 83,400 CR-400; 27/8 @ 7107; GOR 546; Tops: Anhy 155, BX 587, Lamar 3775, Ramsey 3811, Brushy Canyon 7341, BS 7656.
Bass Enterprises Prod. Co. #38 James Ranch Unit	1-23S-30E 1950/S; 660/E	SE Quahada Ridge Delaware Pool; Treat frac w-87,205 Viking 30 + 244,378# 16/30 sd.; GOR 738, Gty. 43.6; Tops: N/A.
Bass Enterprises Prod. Co. #82 James Ranch Unit	1-23S-30E 1200/S; 760/E	SE Quahada Ridge Delaware Pool; Treat frac w-134,628 gals. Viking 3000 + 362,900# 16/30 + 110,200# CR-4000; GOR 669, Gty. 40.9; Tops: Rustler 205, X 649, Lamar 3906, Ramsey 3945, Brushy Canyon 7406, BS 7696.
Bass Enterprises Prod. Co. #79 James Ranch Unit	6-23S-31E 330/N; 990/E	SE Quahada Ridge Delaware Pool; Treat frac w-161400 gals. Viking 3000 + 384340# 16/30 + 60,500# CR-4000; 2-7/8 @ 7470; GOR 1164, Gty. 40.9; Tops: Rustler 325, X 751, BX 3747, lamar 3987, Brushy Canyon 7585, 3 rd BS 10995, WC 11,120.

LEA COUNTY

Read & Stevens Inc. #1 Liberty 4 Com	4-20S-36E 1800/S; 330/W	Wildcat Devonian Pool; Treat None; Gty. 40; Tops: Anhy 1584, Yates 3116, Qu 4094, SA 4441, Dela 5338, BS 6659, WC 9305, Strawn 9473, Atoka 9646, Miss. 9978, Dev. 10576, Montoya 12,510, Simpson 12,848, Ell. 13,375, Gr. Wash 13524.
Conoco Inc. #5 Meyer B-31	31-20S-38E 2310/S; 1850/W	North Hardy Strawn Pool; Treat 25,000 gals. 20% acid; GOR 904; Tops: Rustler 1388, Yates 2708, SR 2962, Qu 3538, Penrose 3670, GB 3832, SA 4052, Glo. 5278, Bli. 6365, Drk. 6670, Abo 6962, Strawn 7552.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS AREA, continued:

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

EDDY COUNTY

Fasken Oil & Ranch Ltd. #1 State 32 Com	32-20S-25E 1000/N; 1000/W	Cemetary-Morrow; Zone abandoned 4/26/02.
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LEA COUNTY

Texaco Explor. & Prod. Inc. #1 New Mexico EA State	24-18S-37E 410/N; 610/E	Hobbs-Upper Blinebry; Zone abandoned 11/8/01.
Texaco Explor. & Prod. Inc. #15 State BA	36-17S-34E 612/N; 2135/W	Vacuum-Upper Penn; Zone abandoned 8/23/01;
Texaco Explor. & Prod. Inc. #15 State BA	36-17S-34E 612/N; 2135/W	Vacuum-Wolfcamp; Zone abandoned 8/23/01
Chevron USA Inc. #1 BLTN State	20-16S-36E 1653/N; 1690/W	Lea Undesignated-Drinkard; Zone abandoned 5/1/02.
Texaco Explor. & Prod. Inc. #12Y C H Weir B	11-20S-37E 1690/S; 1650/E	Eumont Yates-Seven Rivers-Queen; Zone abandoned 12/7/01.
Chevron USA Inc. #391 Eunice Monument South Unit	14-21S-36E 1980/N; 1980/E	Eunice Monument-Grayburg-San Andres; Zone abandoned 7/22/02.
Chevron USA Inc. #381 Eunice Monument South Unit	16-21S-36E 1980/N; 660/W	Eunice Monument-Grayburg-San Andres; Zone abandoned 7/25/02.
Texaco Exploration & Prod. Inc. #4 C H Weir B	11-20S-37E N/A	Skaggs-Glorieta; Zone abandoned 3/1/02.
Texaco Exploration & Prod. Inc. #4 C H Weir B	11-20S-37E N/A	Weir, East-Blinebry; Zone abandoned 3/1/02.
Arch Petroleum Inc. #1 Learcy McBuffington	13-25S-37E 1980/S; 660/W	Langlie Mattix Seven Rivers-Queen-Grayburg; Zone abandoned 7/24/02.
Chevron USA Inc. #2 Scarborough Estate	31-22S-38E 1880/N; 660/E	Tubb Oil and Gas; Zone abandoned 1/2/97.
Arch Petroleum Inc. #111 West Dollarhide Devonian Unit	5-25S-38E 567/N; 660/E	Dollarhide-Devonian; Zone abandoned 7/16/02.
Amerind Oil Co LP #1 Meyers	33-16S-37E 660/N; 2130/W	Casey, West-Strawn; Zone abandoned 6/7/02.
Chevron USA Inc. #349 Eunice Monument South Unit	11-21S-36E 760/S; 2230/E	Eunice Monument-Grayburg-San Andres; Zone abandoned 7/18/02.

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New Mexico

Statehouse Reporting Service

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September 16, 2002

Vol. 39 - No. 25

IMPORTANT NOTICE: Examiner hearings have been tentatively been scheduled for October 10 and 24, 2002. Applications for hearing must be filed at least 23 days in advance of hearing date.

SPECIAL COMMISSION HEARING- SEPTEMBER 10 - CONTINUED

The Land Commissioner's designee for this hearing will be Jami Bailey

This hearing was continued but a date has not yet been set.

The minutes of the August 30, 2002, Commission hearing will be adopted.

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.

LEA COUNTY

Two Non-Standard Gas Spacing and Proration Units (Case 12622 - Continued from August 30) (De Novo)

Nearburg Exploration Company, L.L.C. seeks an exception to the spacing provisions of Division Rule 104.C (2) to create two non-standard 160-acre gas spacing and proration units within the East Grama Ridge-Morrow Gas Pool comprising (i) the NE/4 of Sec. 34, T-21-S, R-34-E, Lea County, to be dedicated to the Nearburg Producing Company's existing No. 1 Grama Ridge East "34" State Well, located at a standard gas well location 1548 feet from the North line and 990 feet from the East line (Unit H) of Sec. 34; and (ii) the SE/4 of Sec. 34 to be dedicated to the EOG Resources, Inc. operated No. 1 Llano "34" State Well, located at a standard gas well location 1650 feet from the South line and 660 feet from the East line (Unit I) of Sec. 34. These two wells are located approximately 17 miles west of Eunice, New Mexico. Upon application of Nearburg Exploration Company, L.L.C., this case will be heard De Novo pursuant to the provisions of Rule 1220.

LEA COUNTY

Creating, Contracting, Re-Designating, and Extending the Vertical and Horizontal Limits of Certain Pools (Case 129908-A (Severed and Reopened))

The Oil Conservation Division, upon its own motion, has called this hearing to consider the contraction and extension of pools in Lea County.

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EXAMINER HEARING SET - SEPTEMBER 19 - SANTA FE

Michael E. Stogner or David R. Catanach - Examiner

RIO ARRIBA COUNTY

Non-Standard Gas Proration Unit and Unorthodox Subsurface Gas Well Location (Case 12898) (Reopened and Readvertised)

Williams Production Company seeks to establish a non-standard 303.88-acre gas spacing and proration unit within the Basin-Dakota Pool comprising all of irregular Sec. 1, T-31-N, R-6-W, Rio Arriba County, which is located approximately 5.5 miles south of the New Mexico/Colorado state line at mile corner marker No. 240. This unit is to be dedicated to Williams Production Company's proposed No. 164-B Rosa Unit Well to be directionally drilled from a surface location 1475 feet from the South line and 1235 feet from the East line (Unit J) of irregular Sec. 1 to an unorthodox bottomhole location within the Basin-Dakota Pool approximately 33 feet from the South line and 1650 feet from the West line (Unit N) of irregular Sec. 1. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

LEA COUNTY

Unit Agreement and Unorthodox Gas Well Location (Case 12923)

Yates Petroleum Corporation seeks approval of the Calfrope State Exploratory Unit for an area comprising 1,560 acres of State of New Mexico lands located in the SW/4, W/2 NW/4 and SE/4 NW/4 of Sec. 28, and all of Secs. 29 and 32 of T-15-S, R-34-E, Lea County, and approval of an unorthodox gas well location for the initial test well on the unit at a location 2068 feet from the South line and 610 feet from the West line of said Sec. 28. The proposed unit is located approximately 10 miles northwest of Lovington, New Mexico.

R. W. Byram & Company

1-800-252-3201

LEA COUNTY

Compulsory Pooling (Case 12924)

EOG Resources, Inc. seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation in the following described acreage: Lots 3 and 4, E/2 SW/4, and SE/4 (S/2 equivalent) to form a spacing and proration unit for all formations developed on 321.94-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated North Hume-Morrow Gas Pool and the Undesignated North Eidson-Morrow Gas Pool; SW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; the S/2 SW/4 to form a standard spacing and proration unit for all formations and pools developed on 80-acre spacing within that vertical extent which includes but is not necessarily limited to the Big Dog-Atoka Pool; and the NW/4 SW/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 Big Dog-Strawn Pool and the Undesignated Townsend Permo-Upper Pennsylvanian Pool, all in Sec. 30, T-15-S, R-35-E, Lea County. Applicant proposes to dedicate the pooled units to its No. 3 John's Hopper "30" Federal Well to be drilled at a standard gas well location 1980 feet from the South line and 880 feet from the West line of said Sec. 30. 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. Said area is located approximately 5 miles northwest of Lovington, New Mexico.

SAN JUAN COUNTY

Compulsory Pooling (Case 12910 – Continued from August 22)

Richardson Production Company seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the E/2 of Irregular Sec. 14, T-29-N, R-14-W, San Juan County, forming standard spacing and proration units, respectively. These units are to be dedicated to its No. 2 Navajo "14" Well which has been drilled in Unit L of Sec. 14 for downhole commingled production from the Pictured Cliffs formation (West Kutz-Pictured Cliffs Gas Pool) and the Basin-Fruitland Coal Gas Pool. Also to be considered is 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 well is located approximately 5 miles east of Kirtland, New Mexico.

LEA COUNTY

Compulsory Pooling (Case 12925)

Trilogy Operating, Inc. seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 NE/4 of Sec. 24, T-19-S, R-38-E, Lea County, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools spaced on 40-acre spacing, including but not limited to the South Nadine-Seven Rivers-Yates Pool, Nadine-Blinebry Pool, Nadine-Tubb Pool, and Nadine-Drinkard-Abo Pool. This unit is to be dedicated to its No. 2 Sapphire Well to be drilled at a standard well location in Unit B of this section. 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. This unit is located approximately 7 miles east of Angell, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

EDDY COUNTY

Compulsory Pooling (Case 12926)

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 include but are not necessarily limited to the Penasco Draw Permo-Penn Gas Pool. Said units are to be dedicated to the 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.

SAN JUAN COUNTY

Compulsory Pooling (Case 12917 – Continued from September 5)

Synergy Operating, LLC seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the NE/4 of Sec. 25, T-28-N, R-10-W, San Juan County, 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 Fulcher Kutz-Pictured Cliffs Gas Pool. The unit is to be dedicated to the No. 6 Omler Well, to be re-entered and worked over at a location 1190 feet from the North line and 1820 feet from the East line of Sec. 25. 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 southeast of Bloomfield, New Mexico. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

LEA COUNTY

Compulsory Pooling (Case 12927)

Ricks Exploration, Inc. seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the SE/4 NE/4 of Sec. 22, 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. 1 State 22 Well, to be drilled at an orthodox oil well location in the SE/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.

EDDY COUNTY

Compulsory Pooling (Case 12928)

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. 11, T-21-S, R-27-E, and in the following manner: the W/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 but not limited to the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, and Burton Flat-Morrow Gas Pool; 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, including but not limited to the East Avalon-Bone Spring Gas Pool; and the SW/4 SW/4 to form a 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 LaHuerta-Delaware Pool and East Avalon-Bone Spring Pool. The units are to be dedicated to applicant's No. 1 Esperanza "11" St. Com. Well, to be drilled at an orthodox well location in the SW/4 SW/4 of Sec. 11. 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 units are located approximately 6 miles northeast of Carlsbad, New Mexico.

EDDY COUNTY

Compulsory Pooling (Case 12929)

Mewbourne Oil Company seeks an order pooling all mineral interests from the base of the Yates formation to the base of the Morrow formation underlying the following described acreage in Sec. 14, T-21-S, R-27-E, and in the following manner: the W/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 but not limited to the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, and Burton Flat-Morrow Gas Pool; 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, including but not limited to the East Avalon-Bone Spring Gas Pool; and the SW/4 SW/4 to form a 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 LaHuerta-Delaware Pool, Undesignated East Avalon-Bone Spring Pool, and Undesignated East Carlsbad-Bone Spring Pool. The units are to be dedicated to applicant's No. 1 Esperanza "14" St. Com. Well, to be drilled at an orthodox well location in the SW/4 SW/4 of Sec. 14. 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 units are located approximately 5 miles northeast of Carlsbad, New Mexico.

EDDY COUNTY

Compulsory Pooling and a Unorthodox Oil Well Location (Case 12930)

Mewbourne Oil Company seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the following described acreage in Sec. 35, T-23-S, R-28-E, Eddy County, 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 but not limited to the Undesignated South Culebra Bluff-Wolfcamp Gas Pool, Undesignated South Culebra Bluff-Strawn Gas Pool, and South Culebra Bluff-Atoka Gas Pool; the SE/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 N/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within that vertical extent, including but not limited to the Undesignated South Culebra Bluff-Bone Spring Pool; and the NE/4 SE/4 to form a 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 Malaga-Bone Spring Pool. The units are to be dedicated to applicant's No. 1 Layla "35" Fee Com. Well, to be drilled at an unorthodox oil well location/orthodox gas well location 1650 feet from the South line and 1241 feet from the East line (Unit I) of Sec. 35. 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 units area located approximately 2 miles northeast of Malaga, New Mexico.

LEA COUNTY

Compulsory Pooling (Case 12931)

Concho Oil & Gas Corp. seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the E/2 SW/4 of Sec. 9, T-20-S, R-35-E, Lea County, to form a standard 80-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including but not necessarily limited to the Featherstone-Bone Spring Pool. The unit is to be

LEA COUNTY
Compulsory Pooling (Case 12931) (Continued)

dedicated to a well to be located at an orthodox location in the SE/4 SW/4 of Sec. 9. 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 12 miles west-southwest of Monument, New Mexico.

EDDY COUNTY
Pool Creation and Special Pool Rules (Case 12916 – Continued from August 22)

Ocean Energy, Inc. seeks creation of the Magruder-Lower Bone Spring Pool to initially cover the NW/4 of Sec. 10, T-21-S, R-27-E, Eddy County, and the promulgation of special rules and regulations for the pool, including provisions for 160-acre spacing and a gas-oil ratio of 4000 cubic feet of gas for each barrel of oil produced. The posed pool is located approximately 6 miles north-northeast of Monument, New Mexico.

EDDY COUNTY
Non-Standard Gas Spacing and Proration Unit (Case 12932)

Ocean Energy, Inc. seeks an order approving a non-standard gas spacing and proration unit in the Saladar-Strawn Pool comprised of the SE/4 of Sec. 28, T-20-S, R-28-E, Eddy County. The unit will be dedicated to applicant's existing No. 13 Burton Flat Deep Unit Well, located in the SW/4 SE/4 of the section. The unit is located approximately 9 miles north-northeast of Carlsbad, New Mexico.

CHAVES COUNTY
Bring One Well into Compliance with Rule 201.B, and Assessing Civil Penalty (Case 12907 – Continued from August 22)

The Oil Conservation Division, upon its own motion, has called this hearing to consider an order requiring McKay Oil Corporation to bring its No. 4 West Fork Federal Unit Well located 1650 feet from the South and West lines of Sec. 32, T-4-S, R-22-E, Chaves County, into compliance with OCD Rule 201.B by either restoring said well to production or beneficial use, plugging and abandoning said well or securing Division approval for temporary abandonment thereof.

CHAVES AND EDDY COUNTIES;
Creating and Extending Pools (Case 12933)

The Oil Conservation Division, upon its own motion, has called this hearing to consider the extension of pools in Chaves and Eddy Counties, and the creation of the following pools in Eddy County:

CLAYTON BASIN-SEVEN RIVERS POOL, T-20-S, R-29-E; the discovery well is the Shackelford Oil Company No. 1 Eddy "IK" State Well, located in Unit G of Sec. 2. Said pool would comprise the NE/4 of Sec. 2.

DIAMOND MOUND-UPPER PENNSYLVANIAN GAS POOL, T-16-S, R-27-E; the discovery well is the Ocean Energy, Inc. No. 1 Bogle State Com. Well, located in Unit H of Sec. 2. Said pool would comprise Lots 1, 2, 7, 8, 9 and 10 of Sec. 2.

LOCO HILLS-STRAWN POOL, T-18-S, R-30-E; the discovery well is the EOG Resources, Inc. No. 1 Oatmeal "8" Federal Com. Well, located in Unit O of Sec. 8. Said pool would comprise the SE/4 of Sec. 8. IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

* * * * *

COMMISSION HEARING SET – SEPTEMBER 20 – SANTA FE
The Land Commissioner's designee for this hearing will be Jami Bailey.

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.

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

The Oil Conservation Division, upon its own motion, has called this hearing to consider the repeal of existing Rule 118 (Hydrogen Sulfide Gas) and to adopt new Rule 52 (Hydrogen Sulfide Gas) in lieu thereof. The proposed rule prescribes precautionary and warning measures, and requires contingency plans to provide for management of releases of hydrogen sulfide gas. The proposed rule will apply statewide. The Commission will conduct a public hearing and workshop on the draft of the proposed rule issued on August 30, 2002.

* * * * *

COMMISSION HEARING SET - SEPTEMBER 27 - SANTA FE
The Land Commissioner's designee for this hearing will be Jami Bailey.

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.

STATE OF NEW MEXICO

Amend and Adopt Rules Pertaining to Surface Commingling (Case
12867 - Continued from July 19) (This case will be dismissed.)

The Oil Conservation Division, upon its own motion, has called this hearing to consider the repeal of current Rules 303.B (19 NMAC 15.5.303.B) including the "Manual for the Installation and Operation of Commingling Facilities," 309.B (19 NMAC 15.5.309.B) and 309.C (19 NMAC 15.5.309.C), the amendment of Division Rule 303 (19 NMAC 15.5.303) and the adoption of new Rule 315 and new Form C-107-B pertaining to surface commingling. A copy of the proposed new rules and Form C-107-B may be accessed on the internet on the Division homepage at: www.emnrd.state.nm.us/ocd. A public hearing on the proposed new rules will be held in Porter Hall, 1220 S. Saint Francis Drive, Santa Fe, New Mexico, at 9:00 A.M. on July 19, 2002. Written comments will be accepted until July 19, 2002 by the Oil Conservation Division, 1220 S. Saint Francis Dr., Santa Fe, New Mexico 87505, attn: Commission Secretary.

STATE OF NEW MEXICO

Repeal of Rule 402 (Case 12934)

The Oil Conservation Division, upon its own motion, has called this hearing to consider the repeal of Rule 402, which presently requires all operators of gas wells to conduct annual shut-in pressure tests on each such wells and prescribes the manner of conducting and reporting such tests. Application of the proposed repeal is STATEWIDE.

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, has 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.

LEA COUNTY

Compulsory Pooling and Four Non-Standard Oil and Gas Spacing and
Proration Units (Case 12567 - Continued from February 15) (De Novo)

Ocean Energy Resources, inc. seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying Lots 1-8 of irregular Sec. 3, T-16-S, R-35-E, Lea County, and in the following manner: Lots 1-8 to form a non-standard 355.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool and Undesignated North Shoe Bar-Morrow Gas Pool; Lots 3-6 to form a non-standard 177.21-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; Lots 3 and 4 to form a non-standard 97.21-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated South Big Dog-Strawn Pool; and Lot 4 to form a non-standard 48.43-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Townsend-Permo Upper Pennsylvanian Pool. The units are to be dedicated to applicant's Townsend State Com. Well, to be located at an orthodox location 800 feet from the North line and 660 feet from the West line of Sec. 3. 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 units are located approximately 6 miles west-northwest of Lovington, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

LEA COUNTY

Compulsory Pooling and Four Non-Standard Oil and Gas Spacing and Proration Units (Case 12535 -
Continued from February 15) (De Novo)

Ocean Energy Resources, Inc. seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying Lots 1 through 8 of Irr. Sec. 3, T-16-S, R-35-E, Lea County, and in the following manner: Lots 1 through 8 to form a non-standard 355.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool and Undesignated North Shoe Bar-Morrow Gas Pool; Lots 3 through 6 to form a non-standard 177.21-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; Lots 3 and 4 to form a non-standard 97.21-acre oil spacing and proration

LEA COUNTY

Compulsory Pooling and Four Non-Standard Oil and Gas Spacing and Proration Units (Case 12535 – Continued from February 15) (De Novo) (Continued)

unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated South Big-Dog-Strawn Pool; and Lot 4 to form a non-standard 48.43-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Townsend-Permo Upper Pennsylvanian Pool. The units are to be dedicated to applicant's No. 10 Townsend State Com. Well, to be located at an orthodox location 800 feet from the North line and 660 feet from the West line of Sec. 3. 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 units are located approximately 6 miles west-northwest of Lovington, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

LEA COUNTY

Compulsory Pooling and a Non-Standard Gas Spacing and Proration Unit (Case 12590 – Continued from February 15) (De Novo)

Yates Petroleum Corporation seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in Lots 1 through 8 (N/2 equivalent) of Irr. Sec. 3, T-16-S, R-35-E, to form a non-standard 355.80-acre gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated North Shoe Bar-Atoka Gas Pool and the Undesignated North Shoe Bar-Morrow Gas Pool. Said unit is to be dedicated to Yates No. 2 Daisy AFS State Well to be drilled at a standard location 660 feet from the North and East lines of said Sec. 3 to a depth sufficient to test all formations from the surface to the base of the Mississippian formation. 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. Said area is located approximately 6 miles west-northwest of Lovington, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

LEA COUNTY

Compulsory Pooling and a Non-Standard Gas Spacing and Proration Unit (Case 12569 – Continued from February 15) (De Novo)

Yates Petroleum Corporation seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in Lots 1 through 8 (N/2 equivalent) of Irregular Sec. 3, T-16-S, R-35-E, to form a non-standard 355.80-acre gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated North Shoe Bar-Atoka Gas Pool and the Undesignated North Shoe Bar-Morrow Gas Pool. Said unit is to be dedicated to Yates No. 2 Daisy AFS State Well to be drilled at a standard location 660 feet from the North and East lines of said Sec. 3 to a depth sufficient to test all formations from the surface to the base of the Mississippian formation. 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. Said area is located approximately 6 miles west-northwest of Lovington, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

LEA COUNTY

Two Non-Standard Gas Spacing and Proration Units (Case 12738 – Continued from February 15)

Yates Petroleum Corporation seeks an exception to the provisions of Division Rule 104.C(2) to create two non-standard gas spacing and proration units for all formations developed on 320-acre spacing which include but are not necessarily limited to the Undesignated North Shoe Bar-Atoka Gas Pool, the Undesignated Townsend-Morrow Gas Pool, the Undesignated North Shoe Bar-Morrow Gas Pool and the Undesignated North Hume-morrow Gas Pool comprising: (i) Lots 1, 2, 7 and 8 (NE/4 equivalent) to form a 178.59-acre non-standard gas spacing and proration unit; and (ii) Lots 3 through 6 (NW/4 equivalent) to form a 177.21-acre non-standard gas spacing and proration unit. Said area is located approximately 6 miles west-northwest of Lovington, New Mexico.

LEA COUNTY

Compulsory Pooling and Four Non-Standard Oil and Gas Spacing and Proration Units (Case 12794 - Continued from February 15)

Ocean Energy Resources, Inc. seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 1 through 8 of irregular Sec. 3, T-16-S, R-35-E, and in the following manner: Lots 1 through 8 to form a non-standard 355.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool and Undesignated North Shoe Bar-Morrow Gas Pool; Lots 3 through 6 to form a non-standard 177.21-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; Lots 3 and 4 to form a non-standard 97.21-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated South Big Dog-Strawn Pool; and Lot 3 to form a non-standard 48.78-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Townsend-Permo Upper Pennsylvanian Pool. The units are to be dedicated to

LEA COUNTY

Compulsory Pooling and Four Non-Standard Oil and Gas Spacing and
Proration Units (Case 12794 - Continued from February 15) (Continued)

applicant's No. 10 Townsend State Com. Well, to be located at an orthodox location in Lot 3 of Sec. 3. 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 units are located approximately 6 miles west-northwest of Lovington, New Mexico.

* * * * *

ORDERS ENTERED

EDDY COUNTY

Compulsory Pooling (Case 12871)

Mewbourne Oil Company has received an order for compulsory pooling in Eddy County. This is Order No. R-11825; the hearing was held August 1, 2002.

EDDY COUNTY

Compulsory Pooling (Case 12879)

Chi Energy, inc. has received an order for compulsory pooling in Eddy County. This is Order No. R-11826; the hearing was held August 1, 2002.

EDDY COUNTY

Compulsory Pooling (Case 12880)

Chi Energy, Inc. has received an order for compulsory pooling in Eddy County. This is Order No. R-11828; the hearing was held August 1, 2002.

EDDY COUNTY

Compulsory Pooling (Case 12881)

Chi Energy, Inc. has received an order for compulsory pooling in Eddy County. This is Order No. R-11829; the hearing was held August 1, 2002.

LEA COUNTY

Compulsory Pooling (Case 12901)

Nearburg Exploration Company, L.L.C. has received an order for compulsory pooling in Lea County. This is Order No. R-11830; the hearings was held August 1, 2002.

EDDY COUNTY

Compulsory Pooling and Non-Standard Spacing and Proration Units (Case 12899)

Manzano Oil Corporation has received an order pooling all uncommitted mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the W/2 of Sec. 30, T-18-S, R-30-E, Eddy County. The units shall be dedicated to the No. 1 Green Flash Federal Com Well to be drilled at a standard gas well location 660 feet from the North and West lines (Unit D) of Sec. 30. This is Order No. R-11827; the hearing was held August 1, 2002.

* * * * *

ADMINISTRATIVE ORDERS

LEA COUNTY

Commingling (Order CTB-529)

Xeric Oil & Gas Corporation is hereby authorized to commingle D-K-Abo pool production from the following leases:

No. 1 Julio State Well, NW/4 NW/4, Sec. 20, T-20-S, R-39-E;

No. 1 Profidio State Well, SW/4 SW/4, Sec. 17, T-20-S, R-39-E, Lea County.

Production shall be allocated to each lease by well tests. This is Order CTB-529, signed September 3, 2002.

RIO ARRIBA COUNTY

Downhole Commingling (Order DHC-1785-A - Amended)

Conoco Inc. has received an exception to Rule 303-A for the No. 9A Jicarilla "B" Well, located in Unit D, Sec. 26, T-26-N, R-4-W, Blanco-Mesaverde and Wildhorse-Dakota 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

RIO ARRIBA COUNTY

Downhole Commingling (Order DHC-1785-A – Amended) (Continued)

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 90 percent oil, 34 percent gas for the Blanco-Mesaverde Pool; 66 percent oil, 10 percent gas for the Wildhorse-Dakota Pool. This is Order DHC-1785-A, amended, signed September 3, 2002.

EDDY COUNTY

Downhole Commingling (Order DHC-3037)

Mewbourne Oil Company has received an exception to Rule 303-A for the No. 1 Carlsbad 22 State Com Well, located in Unit C, Sec. 22, T-21-S, R-26-E, Undesignated Avalon-Strawn and Avalon-Morrow Pools, Eddy 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 Southeast Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be based 100 percent oil, 75 percent gas for the Undesignated Avalon-Strawn Gas Pool; 0 percent oil, 25 percent gas for the Avalon-Morrow Gas Pool. This is Order DHC-3037, signed August 29, 2002.

CHAVES COUNTY

Downhole Commingling (Order DHC-3038)

Yates Petroleum Corporation has received an exception to Rule 303-A for the No. 7 Binnion TT Federal Well, located in Unit A, Sec. 24, T-7-S, R-25-E, Pecos Slope-Abo and Coyote Draw-Permo-Penn Pools, Chaves 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 Southeast Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be based 0 percent oil, 85 percent gas for the Pecos Slope-Abo Gas Pool; 100 percent oil, 15 percent gas for the Coyote Draw-Permo Penn Gas Pool. This is Order DHC-3038, signed September 3, 2002.

CHAVES COUNTY

Downhole Commingling (Order DHC-3039)

Yates Petroleum Corporation has received an exception to Rule 303-A for the No. 4 Johnson IL Well, located in Unit K, Sec. 30, T-6-S, R-26-E, Pecos Slope-Abo and Cotton Ranch-Penn Pools, Chaves 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 Southeast Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be based 0 percent oil, 92 percent gas for the Pecos Slope-Abo Gas Pool; 100 percent oil, 8 percent gas for the Cottonwood Ranch-Penn Gas Pool. This is Order DHC-3039, signed September 3, 2002.

CHAVES COUNTY

Downhole Commingling (Order DHC-3040)

Yates Petroleum Corporation has received an exception to Rule 303-A for the No. 5 Conejo RH State Well, located in Unit F, Sec. 2, T-7-S, R-25-E, Pecos Slope-Abo and Five Mile Draw-Penn Pools, Chaves 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 Southeast Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be based 0 percent oil, 85 percent gas for the Pecos Slope-Abo Gas Pool; 100 percent oil, 15 percent gas for the Five Mile Draw-Penn Gas Pool. This is Order DHC-3040, signed September 3, 2002.

EDDY COUNTY

Downhole Commingling (Order DHC-3041)

Marbob Energy Corporation has received an exception to Rule 303-A for the No. 1 Airport Grace Well, located in Unit K, Sec. 36, T-22-S, R-26-E, Wildcat Wolfcamp, Undesignated Happy Valley-Delaware and South Carlsbad-Strawn Pools, Eddy 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 Southeast Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be based 47.5 percent oil, 47.5 percent gas for the Wildcat-Wolfcamp Pool; 47.5 percent oil, 47.5 percent gas for the South Carlsbad-Strawn Pool; 5 percent oil, 5 percent gas for the Undesignated Happy Valley-Delaware Pool. This is Order DHC-3041, signed September 3, 2002.

EDDY COUNTY

Downhole Commingling (Order DHC-3042)

Marbob Energy Corporation has received an exception to Rule 303-A for the No. 1 New Mexico DC State Well, located in Unit H, Sec. 18, T-19-S, R-29-E, West Palmillo-Wolfcamp and Palmillo-Upper Penn Pools, Eddy County, to permit commingling from the pools in the wellbore. Each of the commingled oil pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool.

EDDY COUNTY

Downhole Commingling (Order DHC-3042) (Continued)

Assignment of allowable to the well and allocation of production from the well shall be based 22 percent oil, 59 percent gas for West Palmillo-Wolfcamp Pool; 78 percent oil, 41 percent gas for the Palmillo-Upper Penn Pool. This is Order DHC-3042, signed September 3, 2002.

LEA COUNTY

Downhole Commingling (Order DHC-3043)

Amerada Hess Corporation has received an exception to Rule 303-A for the No. 2 Fred Turner Jr. "B" Well, located in Unit K, Sec. 17, T-20-S, R-38-E, Undesignated Skaggs-Drinkard and West Warren-Abo Pools, Lea County, to permit commingling from the pools in the wellbore. Each of the commingled oil pools shall be allowed to produce up to the top oil allowable and top casing head gas allowable applicable for that pool. Assignment of allowable to the well and allocation of production from the well shall be based 27 percent oil, 77 percent gas for the Undesignated Skaggs-Drinkard Pool; 73 percent oil, 23 percent gas for the West Warren-Abo Pool. This is Order DHC-3043, signed September 3, 2002.

CHAVES COUNTY

Downhole Commingling (Order DHC-3044)

Yates Petroleum Corporation has received an exception to Rule 303-A for the No. 3 Jasper "ARJ" Federal Com Well, located in Unit H, Sec. 10, T-8-S, R-26-E, Pecos Slope-Abo and Undesignated North Foor Ranch-PrePermian Pools, Chaves 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 Southeast Gas Proration Schedule. Assignment of allowable to the well and allocation of production from the well shall be based 0 percent oil, 71 percent gas for the Pecos Slope-Abo Pool; 100 percent oil, 29 percent gas for the Undesignated North Foor Ranch-PrePermian Pool. This is Order DHC-3044, signed September 4, 2002.

LEA COUNTY

Non-Standard Location (Order NSL-4771)

Yates Petroleum Corporation has received an order for a non-standard Morrow gas well location within a proposed 320-acre standard lay-down gas spacing and proration unit comprising the S/2 of irregular Sec. 5, T-16-S, R-33-E, Lea County, Undesignated Sombrero-Morrow Gas Pool, Lea County. This unit is to be dedicated to Yate's plugged and abandoned No. 1 Eidson Ranch Unit Well, to be redesignated the No. 2 Eidson Ranch "AQB" State Well, located 2080 feet from the South line and 660 feet from the East line (Unit Q) of irregular Sec. 5. This is Order NSL-4771, signed August 28, 2002.

EDDY COUNTY

Non-Standard Location (Order NSL-4772)

Par Minerals Corporation has received an order for an unorthodox Morrow gas well location for its proposed No. 1 State "25" Well to be drilled 2310 feet from the North line and 1980 feet from the West line (Unit F) of Sec. 25, T-18-S, R-27-E, Eddy County. The W/2 of Sec. 25 is to be dedicated to this well in order to form a standard 320-acre stand-up gas spacing and proration unit for the Undesignated Illinois Camp-Morrow Gas Pool, Undesignated North Illinois Camp-Morrow Gas Pool, or Undesignated Red lake-Atoka Morrow Gas Pool. This is Order NSL-4772, signed September 3, 2002.

LEA COUNTY

Non-Standard Location (Order NSL-4773(SD))

Doyle Hartman, Oil Operator has received an order to simultaneously dedicate gas production from the Eumont Gas Pool to its previously approved 320-acre non-standard gas spacing unit comprising the W/2 E/2 and E/2 W/2 of Sec. 7, T-20-S, R-37-E, Lea County, the following two wells:

No. 4 H. M. Britt Well located at a standard infill gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Sec. 7;

No. 5 H. M. Britt Well located at a standard infill gas well location 1980 feet from the South and West lines (Unit K) of Sec. 7. This is Order NSL-4773(SD), signed September 4, 2002.

LEA COUNTY

Pool Commingling (Order PC-391-B - Amended)

Chevron Texaco has received an order to commingle oil, water, and gas production from the Penrose Skelly-Grayburg, Blinbry Oil and Gas, Tubb Oil and Gas, and Drinkard Pools production in the Harry Leonard Lease located in the NE/4 of Sec. 16, T-21-S, R-37-E, Lea County. This is Order PC-391-B, signed September 4, 2002.

SAN JUAN COUNTY

Pool Commingling (Order PC-1009-A – Amended)

XTO Energy Inc. has received an order to commingle South Blanco-Pictured Cliffs, Basin-Dakota, Blanco-Mesaverde and Otero-Chacra Pool production in the No. 10B Florance D dedicated E/2 Blanco-Mesaverde and NE/4 Otero-Chacra Pool; the No. 63E Florance dedicated E/2 Blanco-Mesaverde and N/2 Basin-Dakota; the No. 2 Florance D LS dedicated NE/4 South Blanco-Pictured Cliffs Pool. All wells are located in the NE/4 of Sec. 17, T-27-N, R-8-W, San Juan County. This is Order PC-1009-A, amended, signed September 3, 2002.

SAN JUAN COUNTY

Pool Commingling (Order PC-1054-A – Amended)

XTO Energy Inc. has received an order to commingle South Blanco-Pictured Cliffs, Basin-Dakota and Blanco-Mesaverde Pool production in the No. 64F Florance Well dedicated E/2 Blanco-Mesaverde and S/2 Basin-Dakota Pool; the No. 64 Florance dedicated E/2 Blanco-Mesaverde and S/2 Basin-Dakota; the No. 15 Florance D LS dedicated SE/4 South Blanco-Pictured Cliffs Pool. All wells are located in the SE/4 of Sec. 17, T-27-N, R-8-W, San Juan County. This is Order PC-1054-A, amended, signed September 3, 2002.

SAN JUAN COUNTY

Pool Commingling (Order PC-1068)

Cordillera Energy Inc. has received an order to surface commingle Basin-Dakota (W/2 dedication) and Blanco-Mesaverde (W/2 dedication), located in Sec. 18, T-31-N, R-12-W, San Juan County, in the No. 1B Arnstein Well. Condensate, water, and gas allocation between zones shall be accomplished through periodic testing. The sales points for gas and condensate shall be located on this lease. This is Order PC-1068, signed August 29, 2002.

SAN JUAN COUNTY

Pool Commingling (Order PC-1069)

Cordillera Energy Inc. has received an order to surface commingle Basin-Dakota (S/2 dedication) and Blanco-Mesaverde (S/2 dedication), located in Sec. 19, T-31-N, R-12-W, San Juan County, in the No. 1C Williams Well, and No. 1B Southern Union Well. Condensate, water, and gas allocation between zones shall be accomplished through periodic testing. The sales points for gas and condensate shall be located on this lease. This is Order PC-1069, signed August 29, 2002.

SAN JUAN COUNTY

Pool Commingling (Order PC-1070)

Cordillera Energy Inc. has received an order to surface commingle Basin-Dakota (E/2 dedication) and Blanco-Mesaverde (E/2 dedication), located in Sec. 13, T-31-N, R-13-W, San Juan County, in the No. 1B Duke Well. Condensate, water, and gas allocation between zones shall be accomplished through periodic testing. The sales points for gas and condensate shall be located on this lease. This is Order PC-1070, signed August 29, 2002.

SAN JUAN COUNTY

Pool Commingling (Order PC-1071)

Cordillera Energy Inc. has received an order to surface commingle Basin-Dakota (S/2 dedication) and Blanco-Mesaverde (S/2 dedication), located in Sec. 24, T-31-N, R-13-W, San Juan County, in the No. 1C Senter Well. Condensate, water, and gas allocation between zones shall be accomplished through periodic testing. The sales points for gas and condensate shall be located on this lease. This is Order PC-1071, signed August 29, 2002.

SAN JUAN COUNTY

Pool Commingling (Order PC-1072)

Cordillera Energy Inc. has received an order to surface commingle Basin-Dakota (N/2 dedication) and Blanco-Mesaverde (N/2 dedication), located in Sec. 24, T-31-N, R-13-W, San Juan County, in the No. 1C Williams Well. Condensate, water, and gas allocation between zones shall be accomplished through periodic testing. The sales points for gas and condensate shall be located on this lease. This is Order PC-1072, signed August 29, 2002.

LEA COUNTY

Simultaneous Dedication (Order SD-02-02)

Doyle Hartman is authorized to simultaneously dedicate gas production from the Eumont Gas Pool to the above-described 78.01-acre non-standard gas spacing unit for the following two wells:

No. 1 Britt "A-6" well, located at a standard gas well location, for this 78.01-acre unit 660 feet from the South and West lines (Lot 7/Unit M) of Sec. 6;

No. 2 Britt "A-6" well, located at a standard infill gas well location, 1980 feet from the South line and 660 feet from the West line (Lot 6/Unit L) of Sec. 6, which well is recompleted from the Eunice Monument-Pool to the Eumont Gas Pool. This is Order SD-02-02, signed September 4, 2002.

EDDY COUNTY
Salt Water Disposal (Order SWD-844)

Yates Petroleum Corporation is authorized to complete its No. 6 Zingaro SWD Well located 1980 feet from the South line and 660 feet from the East line (Unit I) of Sec. 1, T-22-S, R-23-E, Eddy County, in such a manner as to permit the injection of produced water for disposal purposes into the Devonian formation from a depth of 10300 feet to 11500 feet through 7 inch plastic lined tubing set in a packer located at 10200 feet. The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer. The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 2060 psi. This is Order SWD-844, signed August 30, 2002.

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NORTHWESTERN NEW MEXICO

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
<u>NEW LOCATIONS:</u>		
<u>MCKINLEY COUNTY:</u>		
Geo Engineering Inc. #116 Santa Fe Pacific	22-20N-9W 990/S; 1650/W	Chaco Wash Mesaverde.
Geo Engineering Inc. #117 Santa Fe Pacific	22-20N-9W 330/S; 1650/W	Chaco Wash Mesaverde.
Robert L. Bayless #20 Santa Fe Pacific RR	20-16N-6W 1650/N; 1650/E	Miguel Creek Gallup.
Geo Engineering Inc. #43 Santa Fe Pacific	29-20N-9W 420/N; 1940/E	Red Mountain Mesaverde.
Robert L. Bayless #60 Santa Fe Pacific RR	28-16N-6W 1650/N; 990/W	Miguel Creek Gallup.
<u>RIO ARRIBA COUNTY</u>		
Benson-Montin-Greer Drilling Corp. #24 Puerto Chiquito	9-26N-1W 270/N; 825/E	E. Puerto Chiquito Mancos.
Benson-Montin-Greer Drilling Corp. #41 E. Puerto Chiquito Mancos Unit	20-27N-1W 1900/N; 2008/W	E. Puerto Chiquito Mancos.
Energen Res. Corp. #201 Carson	7-30N-4W 1565/S; 760/W	Basin Fruitland Coal.
Energen Res. Corp. #10 Carson	21-30N-4W 795/S; 1405/W	E. Blanco PC; Basin Fruitland Coal.

ADD A ZONE:**RIO ARRIBA COUNTY**

Conoco Inc. #244 San Juan 28 7 Unit	7-27N-7W 1090/S; 990/W	Blanco-Mesaverde.
Conoco Inc. #244 San Juan 28 7 Unit	7-27N-7W 1090/S; 990/W	Otero Chacra.
Energen Res. Corp. #9 Jicarilla 107	28-26N-4W 1240/S; 710/E	Blanco-Mesaverde.

SAN JUAN COUNTY

Conoco Inc. 38 Newberry A	34-32N-12W 1570/S; 830/W	Aztec Pictured Cliffs.
Burlington Res. O&G Co. #21 McClanahan	13-28N-10W 980/N; 1610/E	Basin Fruitland Coal.
Burlington Res. O&G Co. #22 McClanahan	14-28N-10W 1635/N; 1640/E	Basin Fruitland Coal.
Dugan Prod. Corp. #1 Centennial	24-30N-15W 1730/S; 865/E	Twin Mounds Fr. Sand PC.

COMPLETIONS:**MCKINLEY COUNTY**

Geo Engineering Inc. #117 Santa Fe Pacific	22-20N-9W 330/S; 1650/W	Chaco Wash-Mesaverde; Completed 9/0/75.
Robert L. Bayless #20 Santa Fe Pacific RR	20-16N-6W 1650/N; 1650/E	Miguel Creek Gallup; Completed 3/15/76.

NORTHWESTERN NEW MEXICO, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
<u>COMPLETIONS, continued:</u>		
<u>RIO ARRIBA COUNTY</u>		
Benson-Montin-Greer Drilling Corp. #24 Puerto Chiquito	9-26N-1W 270/N; 825/E	Puerto Chiquito, East-Mancos; Completed 9/24/72.
Benson-Montin-Greer Drilling Corp. #41 E. Puerto Chiquito Mancos Unit	20-27N-1W 1900/N; 2008/W	Puerto Chiquito, East-Mancos; Completed 12/5/84.
Conoco Inc. #244M San Juan 28 7 Unit	7-27N-7W 850/N; 965/W	Basin Dakota; Completed 4/16/02.
Conoco Inc. #244M San Juan 28 7 Unit	7-27N-7W 850/N; 965/W	Blanco-Mesaverde; Completed 4/16/02.
Conoco Inc. #99F San Juan 28 7 Unit	29-27N-7W 1590/S; 2420/E	Basin Dakota; Completed 5/2/02.
Conoco Inc. #99F San Juan 28 7 Unit	29-27N-7W 1590/S; 2420/E	Blanco-Mesaverde; Completed 5/2/02.

SN JUAN COUNTY

Richardson Operating Co. #3 Benally 14	14-29N-14W 1592/S; 1320/W	Kutz, West-Pictured Cliffs; Completed 6/7/02.
Richardson Operating Co. #1 Ropco 7	7-29N-14W 1254/N; 1939/E	Basin Fruitland Coal; Completed 6/5/02.
Richardson Operating Co. #1 Ropco 7	7-29N-14W 1254/N; 1939/E	Twin Mounds Fruitland Sand PC; Completed 6/5/02.
Four Star Oil & Gas Co. #1B New Mexico Com	36-30N-10W 780/S; 1955/E	Blanco-Mesaverde; Completed 6/13/02.
Coleman Oil & Gas Inc. #32 Juniper 16	16-24N-10W 1750/N; 1545/E	Basin Fruitland Coal; Completed 6/12/02.
Richardson Operating Co. #3 RPC 17	17-29N-13W 920/S; 707/W	Kutz, West-Pictured Cliffs; Completed 6/7/02.

DEEPENING:**RIO ARRIBA COUNTY**

Chaparral Energy Inc. #1 Oso Canyon Federal B	11-24N-2W 1660/N; 1840/W	S. Blanco PC.
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PLUGGED AND ABANDONED WELLS:**RIO ARRIBA COUNTY**

Redwolf Prod. Inc. #1 Hall	28-25N-3W 1650/N; 990/E	Plugged and abandoned 6/11/02.
W M Gallaway #3 Davis	10-26N-2W 1165/N; 990/W	Plugged and abandoned 4/23/98.
D J Simmons Inc. #113 Jicarilla	8-24N-4W 950/N; 1775/W	Plugged and abandoned 5/9/02.
Burlington Res. O&G Co. #1 Davis Federal	10-25N-2W 1055/S; 790/W	Plugged and abandoned 4/29/02.
Questar Explor. & Prod. Co. #6 Escrito Gallup Unit	18-24N-7W 930/N; 1650/W	Plugged and abandoned 5/14/02.
Questar Explor. & Prod. Co. #29 Lindrith	9-26N-7W 1450/N; 1450/W	Plugged and abandoned 5/20/02.

NORTHWESTERN NEW MEXICO, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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PLUGGED AND ABANDONED WELLS, continued:

SAN JUAN COUNTY

BP America Production Co. #251 Gallegos Canyon Unit	24-28N-12W 660/N; 2260/W	Plugged and abandoned 3/16/73.
Phillips Pet. Co. NW #43 San Juan 32 7 Unit	21-32N-7W 1060/N; 1660/E	Plugged and abandoned 6/7/02.
Dugan Prod. Corp. #3 Mesa	16-24N-8W 790/S; 1750/E	Plugged and abandoned 1/17/02.

SANDOVAL COUNTY

Torreón Oil Co. #4 Torreón	21-18N-3W 2490/S; 2310/E	Plugged and abandoned 5/30/02.
Torreón Oil Co. #2 San Luis Federal	21-18N-3W 2278/N; 2296/E	Plugged and abandoned 5/30/02.

ZONE ABANDONMENTS:

RIO ARRIBA COUNTY

Chaparral Energy Inc. #1 Oso Canyon Federal B	11-24N-2W 1660/N; 1840/W	Gavilan Mancos; Zone abandoned 10/18/01.
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TEMPORARY ABANDONMENTS:

SAN JUAN COUNTY

BP America Prod. Co. #174 Gallegos Canyon Unit	28-28N-12W 2510/S; 1850/W	Basin Dakota; Effective date 4/5/02.
Burlington Res. O&G Co. #300R Howell C Com Pow	7-30N-8W 140/N; 525/E	Basin Fruitland Coal; Effective date 5/1/02.

NORTHEASTERN NEW MEXICO

SANTA FE DISTRICT

NEW LOCATION:

COLFAX COUNTY

El Paso Energy Raton LLC #17 VPR F	20-32N-21E 1907/S; 777/E	Trinidad.
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COMPLETIONS:

COLFAX COUNTY

El Paso Energy Raton LLC #69 VPR "A"	9-31N-19E 1725/S; 1384/E	Stubblefield Canyon Raton-Vermejo Gas; Completed 4/20/02.
El Paso Energy Raton LLC #70 VPR "A"	10-31N-19E 1349/S; 1507/W	Stubblefield Canyon Raton-Vermejo Gas; Completed 5/30/02.
El Paso Energy Raton LLC #71 VPR "A"	10-31N-19E 1018/S; 761/E	Stubblefield Canyon Raton-Vermejo Gas; Completed 5/17/02.
El Paso Energy Raton LLC #76 VPR "A"	9-31N-19E 1190/N; 1057/E	Stubblefield Canyon Raton-Vermejo Gas; Completed 4/30/02.
El Paso Energy Raton LLC #77 VPR "A"	10-31N-19E 1658/N; 1581/E	Stubblefield Canyon Raton-Vermejo Gas; Completed 5/4/02.
El Paso Energy Raton LLC #78 VPR "A"	11-31N-19E 1370/N; 1685/W	Stubblefield Canyon Raton-Vermejo Gas; Completed 5/22/02.

NORTHEASTERN NEW MEXICO, continued:

SANTA FE DISTRICT, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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PLUGGED AND ABANDONED WELL:

DEBACA COUNTY

Yates Pet. Corp. #1 Rault Grace Federal	30-2S-21E 660/S; 1980/W	Plugged and abandoned 6/5/02.
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SOUTHEASTERN NEW MEXICO

HOBBS AREA

NEW LOCATIONS:

CHAVES COUNTY

Yates Pet. Corp. #3 Margene AWM Federal	19-9S-26E 1980/N; 660/E	N. Foor Ranch.
Yates Pet. Corp. #4 Margene AWM Federal	19-9S-26E 660/S; 1450/E	N. Foor Ranch.
Yates Pet. Corp. #2 Enron AEY State	25-9S-26E 660/S; 660/E	Foor Ranch-Pre-Permian.
Yates Pet. Corp. #1 Oliver BAI State	29-8S-27E 1800/N; 660/W	Palma Mesa Penn.

EDDY COUNTY

Mack Energy Corp. #6 Gold Star Federal	30-17S-29E 330/N; 485/E	Empire Yeso.
Pogo Producing Co. #2 McMillan 24 State	24-20S-26E 1980/S; 990/E	McMillan-Morrow.
Pogo Producing Co. #3 McMillan 24 State	24-20S-26E 660/N; 2200/W	McMillan-Morrow.
Marathon Oil Co. #45 Indian Hills Unit	28-21S-24E 806/N; 1010/E	Indian Basin Morrow.
Mack Energy Corp. #24 White Star Federal	29-17S-29E 330/N; 990/W	E. Empire Yeso.
Unit Petroleum Co. #3 Jake State	36-24S-26E 1980/S; 1980/W	Black River Morrow.
Gruy Petroleum Management Co. #3 Pennzoil 9 Federal Com	9-24S-26E 1650/N; 1650/W	White City Penn. Gas.

LEA COUNTY

Smith & Marrs Inc. #6 Shults	13-12S-37E 1980/S; 660/E	Devonian.
Arch Petroleum Inc. 381 C E Lamunyon	27-23S-37E 330/N; 150/W	Teague-Simpson.
Xeric Oil & Gas Corp. #3 Herradura	15-19S-38E 1502/S; 864/E	Abo.
Rick Exploration, Inc. #6 Burrus	22-12S-38E 330/S; 2310/W	Wolfcamp.
Conoco Inc. #167 SEMU	25-20S-37E 2250/N; 1530/E	Strawn.
Arch Petroleum Inc. #79 C E Lamunyon	21-23S-37E 1700/N; 10/E	Blinebry.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS AREA, continued:

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

CHAVES COUNTY

Yates Pet. Corp. #3 Ruby Jo "ATY"	14-8S-26E 18880/S; 660/W	Pecos Slope Pool; Spd. 12/28/01; Compl. 3/18/02; Elev. 3890 GR; TD 6635; PBDT 6165; Top Pay (Abo) 4648; perfs 4648-4890; Treat 500 gals. 7.5% Hcl., 110600 gals. 25q CO2 foam + 250,000# 20/40 sd.; IP 3/18/02: Flow, 24 hrs., 814 MCF, 11/64" Ch., TP 870; Csg. 8-5/8 @ 1002 w/700; 5 @ 6627 w/1265; 2-7/8 @ 4815; Tops: Yates 183, SR 280, Qu 617, SA 1097, Glo. 2184, Yeso 2302, Tubb 3752, Abo 4484, WC 5193, Cisco 5746, Srawn 5907, Miss. 6076, Dev. 6213, Basement 6490.
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Yaes Pet. Corp. #2 Handicapper "AWI" State	3-10S-26E 660/N; 660/W	Foor Ranch & Foor Ranch Wolfcamp; Spd. 5/17/01; Compl. 7/23/01; Elev. 3807 GR; TD 6100; PBDT 5965; Top Pay (Wolfcamp) 5128; perfs 5128-5542; Treat 3250 gals. 15% Hcl.; Top Pay (Pre-Permian) 5744; perfs 5744-5758; Treat 500 gals. 15% Hcl.; IP 11/14/01: Pump, 24 hrs., 0 BO, 0 BW, 49 MCF; Csg. 8-5/8 @ 1140 w/675; 5 @ 6100 w/475; 2-7/8 @ 5800; Tops: SA 1053, Glo. 2182, Yeso 2253, Tubb 3880, Abo 4463, WC 5130, Penn. 5858, Cisco 5718, Miss. 5914, Ord. 5950.
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Yates Pet. Corp. #3 Windmill ATI State	16-15S-28E 660/S; 660/W	(Re-entry of Exxon Corp. #1 New Mexico DH St., P&A, Old TD 9400); SWD Pool; Re-entered 9/5/00; Compl. 11/15/00; Elev. 3873 GR; TD 10350; PBDT 10300; Top Pay (Devonian) 9938; perfs 9938-10010 & OH 10121-10300; Treat 15,000 gals. 15% Hcl. + 10,000# rock salt; IP: SWD; Csg. 13-3/8 @ 400 w/450; 9-5/8 @ 2006 w/800; 5 @ 9392 w/1390; 3 @ 9095-10121 w/55; 2-7/8 @ 9080; Tops: Woodford 9857, Dev. 9938.
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EDDY COUNTY

Marbob Energy Corp. #2 Baby Ruth	10-22S-27E 1980/N; 1090/W	South Carlsbad Pool; Spd. 11/16/01; Compl. 2/23/02; Elev. 3077 GR; TD 11875; PBDT 11587; Top Pay (Morrow) 11447; perfs 11447-11571; Treat Frac w-92,000 gals. F1 @ 100,000# sd.; IP 2/24/01: Flow, 24 hrs., 0 BO, 0 BW, 1530 MCF, 20/64" Ch., TP 700; Csg. 13-3/8 @ 395 w/420; 9-5/8 @ 1602 w/650; 7 @ 8968 w/1550; 4 @ 11875 w/300; 2-3/8 @ 11320; Tops: Bell Canyon 1825, Cherry Canyon 3680, Brushy Canyon 4249, BS 5196, WC 8906, Strawn 10,179, Atoka 10,710, Morrow 11,369.
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Dominion OK TX Explor. & Prod. Inc. #3 Saragossa "17" St. Com	17-23S-26E 1980/S; 660/W	South Carlsbad Pool; Spd. 8/20/01; Compl. 2/8/02; Elev. 3394 GL; TD 11,750; PBDT 11,692; Top Pay (Morrow) 11,574; perfs 11,574-11,594; IP 3/21/02: Flow, 24 hrs., 0 BO, 2 BW, 538 MCF, 20" Ch., TP 480; Csg. 13-3/8 @ 690 w/480; 9-5/8 @ 2598 w/885; 7 @ 9732 w/1300; 2-3/8 @ 11,438.
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Mack Energy Corp. #1 Brown Bear Com	35-16S-28E 660/S; 740/E	SE Crow Flats Pool; Spd. 10/2/01; Compl. 12/19/01; Elev. 3610 RKB; TD 10450; PBDT 10404; Top Pay (Morrow) 10,061; perfs 10,061-10,079; Treat 500 gals. 10% Hcl.; IP 1/4/02: Flow, 24 hrs., 59 BO, 0 BW, 2395 MCF, 11/64" Ch., GOR 40590; Csg. 13-3/8 @ 524 w/700; 8-5/8 @ 1820 w/600; 5 @ 10,450 w/1890; 2-3/8 @ 10,018; Tops: Yates 587, SR 829, Qu 1354, SA 2126, Glo. 3558, Tubb 4890, Abo 5549, WC 6800, Atoka 9610, Morrow 9800, Miss. 10322.
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EOG Resources Inc. #1 Warp Speed Fed. Com	7-17S-29E 2280/N; 1930/W	South Empire Pool; Spd. 5/17/01; Compl. 8/1/01; Elev. 3708 GL; TD 10,886; PBDT 10810; Top Pay (Morrow) 10532; perfs 10532-10550; Treat 23352 gals. CO2 15820# 20/40 sd., frac w-1000 gals. clay stay, 42,578 gals. 65 quality; IP CAOF 3542 MCF, Var. Ch., TP 2490, CP Pkr. Csg.; 14 @ 472 w/325; 11 @ 2647 w/830; 7 @ 10886 w/1400; 2-7/8 @ 10504; Tops: Glo. 3810, Atoka 9997, Morrow 10374, Barnett 10578, Chester 10806.
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Mack Energy Corp. #1 Mesquite State	20-17S-29E 330/S; 1650/W	East Empire Pool; Spd. 10/13/01; Compl. 12/10/01; Elev. 3633 RKB; TD 4455; PBDT 4412; Top Pay (Yeso) 3876; perfs 3876-4182.5; Treat 34000 gals. acid, 54,000 gals. 40# gel; IP 12/30/01: Pump, 24 hrs., 113 BO, 325 BW, 214 MCF, GOR 1893, Gty. 38; Csg. 13-3/8 @ 380 w/350; 8-5/8 @ 802 w/475; 5 @ 4426 w/775; 2-7/8 @ 4191; Tops: Yates 763, SR 1037, Qu 1630, SA 2301, Glo. 3755.
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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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COMPLETIONS, continued:

EDDY COUNTY, continued:

Mack Energy Corp. #10 Schley Federal	29-17S-29E 1686/S; 1650/W	East Empire Pool; Spd. 9/25/01; Compl. 11/12/01; Elev. 3615 RKB; TD 5807; PBDT 5496; Top Pay (Yeso) 4121; perfs 4121-4437.5; Treat 39,500 gals. acid, 54,000 gals. 40# gel; IP 12/7/01: Pump, 24 hrs., 125 BO, 435 BW, 220 MCF, GOR 1760, Gty. 38; Csg. 13-3/8 @ 332 w/350; 8-5/8 @ 863 w/475; 5 @ 5507 1200; 2-7/8 @ 4453; Tops: Qu 1756, SA 2500, Glo. 4001.
Dominion OK TX Expl. & Prod. Inc. #4 Turkey Track "11" State	11-19S-28E 2310/N; 1650/W	SW Palmillo Pool; Spd. 6/5/01; Compl. 8/31/01; Elev. 3458 GL; TD 8705; PBDT 8628; Top Pay (Bone Spring) 8339; perfs 8339-8380; Treat 6000 gals. 15% NEFE & 125 BS; IP 10/26/01: Flow, 24 hrs., 25 BO, 0 BW, 143 MCF, TP 200; GOR 15675; Csg. 13-3/8 @ 423 /370; 8-5/8 @ 2798 W/1055; 5 @ 8705 W/700; 2-7/8 @ 8204; Tops: BS 6325, 3 rd BS 8400.
Devon SFS Oper. Inc. #1 Strawberry 7 Fed Com	7-19S-31E 660/N; 1750/W	North Hackberry Pool; Spd. 7/27/01; Compl. 12/20/01; Elev. 3457 GR; TD 12531; PBDT 12424; Top Pay (Morrow) 11772; perfs 11722-11802; Treat frac w-38000 gals. foam, 30200# 20/40 sd.; IP CAOF 4746 MCF, Var. Ch., TP 1970; CP Pkr., GOR 21947, Gty. 54.2; Csg. 13-3/8 @ 437 w/423; 8-5/8 @ 2018; w/850; 5 @ 12,531 w/1816; 2-7/8 @ 11625; Tops: SA 3715, Dela. 4412, BS 6305, 1 st BS 7676, 2 nd BS 8470, 3 rd BS 9380, WC 9912, Strawn 10850, Atoka 11044, Morrow 11353, Miss. 12180.
Arco Permian #2 B&C "25" Federal	25-20S-21E 660/S; 1980/E	Little Box Canyon Pool; Spd. 9/18/01; Compl. 11/21/01; Elev. 4388; GL; TD 8381; PBDT 8381; Top Pay (Morrow) 7874; perfs 7874-7934; Treat 125.7 bbls. PPA; IP 11/24/01: Flow, 24 hrs., 1320 MCF, 48/64" Ch., TP 660, CP 450; Csg. 13-3/8 @ 120 w/160; 8-5/8 @ 1435 w/400; 5 @ 8381 w/540; 2-7/8 @ 7785; Tops: Tubb 2873, Abo 3488, WC 4558, Cisco 5750, Canyon 6500, Strawn 7108, Atoka 7496, Morrow 7848, Miss. 8022.
Dominion OK TX Expl. & Prod. Inc. #1 Durango "10" Federal	10-7S-29E 840/S 1140/E	North Grayburg Pool; Spd. 10/9/01; Compl. 1/24/02; Elev. 3602 GL; TD 10925; PBDT 10,615; Top Pay (Atoka) 10,220; perfs 10220-10249; IP 1/24/02: Flow, 24 hrs., 3 BO, 4 BW, 405 MCF, 64" Ch., TP 83; Csg. 13-3/8 @ 423 w/375; 9-5/8 @ 2698 w/1025; 5 @ 10924 w/1950; 2-3/8 @ 10,111.
Marbob Energy Corp. #320 Burch Keely Unit	23-17S-29E 660/N; 1295/W	GB-Jackson Pool; Spd. 11/19/01; Compl. 12/29/01; Elev. 3593 GR; TD 4540; PBDT 4525; Top Pay (SR-Qu-GB-SA) 4086; perfs 4086-4351; Treat acidize w-2000 gals. 15% Hcl. w-add.; IP 1/9/02: Pump, 24 hrs., 152 BO, 462 BW, 97 MCF; Csg. 8-5/8 @ 404 w/350; 5 @ 4539 w/1000; 2-7/8 @ 4080; Tops: Yates 9890, Qu 1846, SA 2514, Glo. 3968.
Burnett Oil Co., Inc. #21 Jackson A	13-17S-30E 2060/N; 330/E	Cedar Lake Pool; Spd. 10/20/01; Compl. 1/10/02; Elev. 3754 GR; TD 5109; PBDT 5068; Top Pay (Yeso) 4678; perfs 4678-4974; Treat 42,902 gals. 15% Hcl., 2-54361 gals. wtr. Frac gel w-100 mesh sd.; IP 1/14/02: Pump, 24 hrs., 68 BO, 454 BW, 98 MCF; Csg. 8-5/8 @ 522 w/475; 5 @ 5109 w/800; 2-7/8 @ 5051; Tops: N/A.
Burnett Oil Co., Inc. #22 Jackson A	13-17S-30E 1650/S; 1650/E	Cedar Lake Pool; Spd. 11/8/01; Compl. 1/14/02; Elev. 3746 GR; TD 5125; PBDT 5068; Top Pay (Yeso) 4662; perfs 4662-4922; Treat 41,773 gals. 15% Hcl., w-50675 gals. wtr. Frac gel 2/100 mesh sd.; IP 1/21/02: Pump, 24 hrs., 70 BO, 540 BW, 97 MCF; Csg. 8-5/8 @ 490 w/475; 5 @ 5120 w/1585; 2-7/8 @ 5053; Tops: N/A.
Occidental Permian LP Op. #1 GOE State	36-17S-30E 660/S; 860/E	Cedar Lake-Morrow Pool; Spd. 11/15/01; D&A 12/27/01; Elev. 3594 GL; TD 11,700; Csg. 13-3/8 @ 625 w/550; 9-5/8 @ 4014 w/1700; Tops: WC 6258, Penn. 9703, Cisco 9980, Strawn 10,506, Atoka 10807, Morrow 11,114.

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:

OXY USA WTP LP #1 Oxy Bits State	36-18S-30E 1797/S; 912/E	N. Hackberry Pool; Spd. 1/8/02; Compl. 3/11/02; Elev. 3546 GL; TD 12,280; PBDT 12,234; Top Pay (Morrow) 12,106; perfs 12,106-12,129; Treat None; IP 4/3/02: Flow, 24 hrs., 109 BO, 0 BW, 2399 MCF, 14/64" Ch., TP 2865; Csg. 13-3/8 @ 655 w/550; 9-5/8 @ 3220 w/1300; 5 @ 12,280 w/775; 2-7/8 @ 12,068; Tops: WC 9836, Penn. 10,222, Strawn 10,899, Atoka 11,180, Morrow 11,480.
Rick Explor. Inc. #14 Greenwood Pre-Grayburg Unit	27-18S-31E 2050/S; 1310/E	Shugart Pool; Spd. 7/5/01; Compl. 10/26/01; Elev. 36,326 GL; TD 13958; Top Pay (Ordovician) 13750; perfs 13750-70, 13779-13790; Treat N/A; IP CAOF 21618 MCF, Var. Ch., TP 1194, CP Pkr., GOR 127,705;1, Gty. 58; Csg. 13-3/8 @ 651 w/530; 9-5/8 @ 4028 w/1300; 7 @ 12,446 w/1476; 4 @ 12070-13959 w/280; 2-7/8 @ 13723; Tops: SR 2750, Qu 3350, GB 3600, SA 4010, Dela. 4743, BS 6288, WC 9586, Strawn 10325, Atoka 10510, Miss. 11,775, Dev. 12426, Sil. 12,718, Montoya 13330, Simpson 1317, Ellenburger 13,776.
Yates Pet. Corp. #5 Jacque AQJ State	34-21S-31E 2310/S; 2310/W	West Lost Tank Pool; Spd. 8/29/01; Compl. 11/23/01; Elev. 3489 GL; TD 8228; PBDT 8173; Top Pay (Delaware) 6804; perfs 6804-6960, 7938-8004; Treat 1750 gals. 7.5% Hcl.; IP 11/24/01: Flow, 24 hrs., 53 BO, 251 BW, 72 MCF, TP 500, CP 80; Csg. 13-3/8 @ 849 w/660; 8-5/8 @ 4000 w/950; 5 @ 8228 w/360; 2-7/8 @ 8058; Tops: Rustler 590, X 878, BX 3985, Bell Canyon 4186, Cherry Canyon 5290, Livingston Ridge 6789, Brushy Canyon 6926, BS 8026.

LEA COUNTY

Yates Pet. Corp. #1 Dwight "AZI" State Com	15-9S-32E 660/S; 660/E	(Re-entry of Amerada Hess Corp., #1 State SR "B", P&A, Old TD 11,125); SSR Pool; Re-entered 4/11/02; SI /19/02; Elev. 4332 GR; TD 11,125; PBDT 10768; Top Pay (Atoka) 10260; perfs 10260-10288; Treat None; IP Shut In; Csg. 13-3/8 @ 388 w/275; 8-5/8 @ 600 w/175; 8-5/8 @ 600-3550; w/1500; 5 @ 6600 w/610; 6 @ 0-6600-11085 w/900; 2-7/8 @ 10188; Tops: Anhy 1605, X 1637, BX 2177, Yates 2267, Qu 230, SA 3473, Glo. 4860, Pad. 5170, Tubbs 6322, Abo 7183, Penn. 8517, Miss. 10477, Dev. 11,082.
Dominion OK TX Expl. & Prod. Inc. #6 Toro "27"	27-19S-35E 490/N; 990/W	Klein Ranch Pool; Spd. 11/19/01; Compl. 2/27/02; Elev. 3735 GL; TD 11209; PBDT 11,105; Top Pay (Wolfcamp) 10633; perfs 10633-10842; IP 5/18/02: Flow, 24 hrs., 125 BO, 67 BW, 96 MCF, 64" Ch., T 100, CP 30; Csg. 13-3/8 @ 604 w/430; 8-5/8 @ 5134 w/2626; 5 @ 11,209 /525; 2-7/8 @ 10913.
Matador Oper. Co. #1 Laura 13 State Com	13-21S-34E 760/N; 1980/E	Wilson Pool; Spd. 11/27/01; Compl. 2/10/02; Elev. 3668 GL; TD 12,522; PBDT 12,497; Top Pay (Morrow) 12,188; perfs 12188-12325; Treat: None; IP 2/12/02: Flow, 24 hrs., 14 BO, 0 BW, 3206 MCF, 48 Ch., TP 800; GOR 229,000., Gty. 54; Csg. 13-3/8 @ 1404 w/1045; 9-5/8 @ 5540 w/1615; 7 @ 11,352 w/400; 4 @ 11,054-12,520 w/140; 2-7/8 @ 12325; Tops: Anhy 1666, Dela 5572, BS 7958, WC 10969, Canyon 11,098, Strawn 11,256, Atoka 11,453, Morrow 11,036, Miss. 12,480.
Apache Corp. #13 Southland Royalty A	4-21S-37E 330/S; 1890/E	Penrose Skelly; Spd. 5/6/02; Compl. 5/23/02; Elev. 3470 GR; TD 4200; PBDT 4140; Top Pay (Grayburg) 3996; perfs 3996-4014; Treat Acidize w-1000 gals. 15% Hcl., frac w-37,400 gals. gel & 5640# 20/40 & 26,200# 16/30 sd.; IP 6/2/02: Pump, 24 hrs., 36 BO, 191 BW, 104 MCF; Csg. 8-5/8 @ 409 w/300; 5 @ 4200 w/1150; 2-7/8 @ 4029; Tops: Rustler 1276, Yates 2627, SR 2874, Qu 3442, GB 3735, SA 4021.
Apache Corp. #19 Turner	22-21S-37E 1575/S; 1450/E	Paddock Pool; Spd. 4/26/02; Compl. 5/15/02; Elev. 3407 GR; TD 5405; OBTD 5359; Top Pay (Paddock) 5069; perfs 5069-5272; Treat Acidize w-5000 gals. 15% Hcl., Frac w-40500 gals. gel & 100,000# 16/30 sd.; IP 6/3/02: Pump, 24 hrs., 20 BO, 252 BW, 23 MCF, GOR 1150, Gty. 34; Csg. 8-5/8 @ 408 w/300; 5-1/2 @ 5405 w/1380; 2-7/8 @ 5304; Tops: Rustler 1209, Yates 2509, SR 2765, Qu 3339, GB 3656, SA 3903, Glo. 5062, Pad. 5090.

SOUTHEASTERN NEW MEXICO, continued:**HOBBS AREA, continued:**

Operator & Well No.	Location	Remarks
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COMPLETIONS, continued:**EDDY COUNTY, continued:**

Melrose Oper. Co. #169 Jalmat Field Yates Sand Unit	13-22S-35E 20/N; 1330/W	Jalmat Pool; Spd. 2/17/01; Compl. 3/12/01; Elev. 3591 GR; TD 4200; PBDT 4188; Top Pay (T-Y-SR) 3760; perfs 3760-4112; Treat 6000 gals. 15% NEFE Hcl., 76526 Delta 140 + 173500# 16/30 sd.; IP 3/27/01: Pump, 24 hrs., 36 BO, 200 BW, 25 MCF, GOR 694; Csg. 8-5/8 @ 403 w/275; 5 @ 4200 w/900; 2-3/8 @ 4112; Tops: BX 3340, Yates 3826.
Concho Oil & Gas Corp. #2 Diamondback State	25-10S-32E 1980/N; 660/W	Cuerno Largo Pool; Spd. 3/6/02; Compl. 5/2/02; Elev. 4306 GL; TD 9700; PBDT 9652; Top Pay (Penn) 9214; perfs 9214-20, 9363-71; Treat 1300 gals. 15% NEFE; IP 5/3/02: Pump, 24 hrs., 44 BO, 69 BW, 20 MCF; Csg. 13-3/8 @ 402 w/360; 8-5/8 @ 3758 w/1100; 5 @ 9700 w/1500; 2-7/8 @ 9435.
Mack Energy Corp. #1 Yankees State	23-16S-33E 1980/N; 660/E	Kemnitz Pool; Spd. 12/13/01; Compl. 3/22/02; Elev. 4182 GL; TD 13550; PBDT 13501; Top Pay (Wolfcamp) 10685; perfs 10685-10693; Treat 22,000 gals. NEFE; IP 4/15/02: Pump, 24 hrs., 5 BO, 0 BW, 18 MCF, GOR 3600, Gty. 37.2; Csg. 13-3/8 @ 342 w/350; 8-5/8 @ 4440 w/1400; 5 @ 13,550 w/2650; 2-7/8 @ 10748; Tops: Yates 2760, SR 3058, Qu 3678, SA 4488, Glo. 5960, Tubb 7170, Abo 7940, WC 9682, Strawn 12158, Atoka 12,630, Miss. 13,352.
Ocean Energy Inc. #2 Carlisle	10-16S-35E 2260/S; 330/W BHL 2275/S; 2310/W	NW Shoe Bar Strawn Pool; Spd. 11/7/00; SI 3/1/01; Elev. 4007 GL; TD 12,125 MD; 11,345 TVD; perfs 11360-13125; Treat 18,000 gals. 20% Hcl., IP: Shut in 3/1/01; Csg. 13-3/8 @ 541 w/810; 8-5/8 @ 4900 w/1700; 5 @ 11361 w/1115; 2-7/8 @ 11485; Tops: Yates 3043, SA 3715, Glo. 6555, Tubb 7390, Abo 8225, WC 9580, Penn. 10782, Strawn 11,312.
Manzano Oil Corp. #1 Johnny State	6-17S-32E 660/N; 660/E	West Kemnitz Pool; Spd. 1/15/02; Compl. 5/3/02; Elev. 4229 GL; TD 11,702; PBDT 11,688; Top Pay (Wolfcamp) 10928; perfs 10928-10968; Treat 4000 gals. 15% NEFE; IP 5/12/02: Pump, 24 hrs., 66 BO, 120 BW, 30 MCF, GOR 1818, Gty. 40; Csg. 13-3/8 @ 357 w/340; 8-5/8 @ 4520 w/1550; 7 @ 2817 w/175; 4 @ 11702 w/1230; 2-3/8 @ 11014; Tops: Anhy 1380, Yates 2695, Qu. 3620, SA 4360, Glo. 5830, Abo 7920, WC 9700, Penn. 11250.
Texaco Explor. & Prod. Inc. #2 Shoebar 4	4-17S-35E 1140/S; 660/W	North Vacuum Pool; Spd. 2/12/02; Compl. 4/10/02; Elev. 3988 GL TD 12,862; PBDT 12,854; Top Pay (Atoka Morrow) 12,370; perfs 12,370-12,770; IP 5/25/02: Flow, 24 hrs., 12 BO, 0 BW, 2000 MCF; Csg. 11 @ 495 w/360; 8-5/8 @ 4700 w/1540; 5 @ 12862 w/2910.
Joe Melton Drilling Co., Inc. #1 Leonard State	24-21S-36E 659/N; 658/W	Eumont Pool; Spd. 4/28/02; Compl. 5/16/02; Elev. 3542 GL; TD 3825; PBDT 3812; Top Pay (Y-SR-Qu.) 3526; perfs 3526-3752; Treat 2200 gals. 15% acid, frac w-502 BW 157 tons CO2, 950 sx sd.; IP 5/21/02: Pump, 24 hrs., 17 BO, 7 BW, 225 MCF, GOR 13235, Gty. 35; Csg. 8-5/8 @ 395 w/250; 5 @ 3825 w/830; 2-3/8 @ 3750; Tops: Yates 2820, SR 3028, Qu 3495, Gb 3753.
Devon SFS Oper. Inc. #1 Paloma Blanco 17 Federal	17-23S-34E 1980/N; 660/W	North Bell Lake Pool; Spd. 7/21/00; Compl. 12/29/00; Elev. 3470 GR; D 13,797; PBDT 13,517; Top Pay (Morrow) 13,234; perfs 13234-13242; Treat 1000 gals. Hcl.; IP 12/29/00: Shut In; Csg. 13-3/8 @ 1024 w/680; 9-5/8 @ 4993 w/1580; 7 @ 12077 w/750; 4 @ 11738-13795 w/300; 2-3/8 @ 13163; Tops: Dela 5040, BS 8498, WC 11332, Strawn 11,932, Atoka 12,222, Morrow 12,996.
OXY USA WTP LP #1 Oxy Rocky Road Federal	20-17S-31E 1335/S; 760/E	N. Cedar Lake Pool; Spd. 7/6/01; Compl. 9/7/01; Elev. 3754 GL; TD 12000; PBDT 11,975; Top Pay 9Morrow) 11510; perfs 11510-11524; Treat None; IP 11/13/01: Flow, 24 hrs., 72 BO, 0 BW, 1227 MCF, 30/63" Ch., TP 612; Csg. 13-3/8 @ 402 w/510; 9-5/8 @ 4510 w/1555; 5 @ 12000 w/1200; 2-7/8 @ 11476; Tops: WC 9358, Penn. 9838, Cisco 10150, Strawn 10,667, Atoka 10996, Morrow 11282.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS AREA, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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OLD WELLS RECOMPLETED AND DUAL COMPLETED:

EDDY COUNTY

Devon Energy Corp (Nevada) #1 Mann 3 Federal	3-18S-27E 2178/S; 330/W	Recompleted from Red Lake Glo. Yeso to Red Lake Queen-Grayburg-San Andres; set CIBP @ 3035; perfs 2080-2330, 2698-3035, Treat w-5500 gals. 15% NEFE, 140,080 gals. FW & 298,020# 20/40 sd. + 55,250# sd.; set 2-7/8 tubing @ 2766; Ret. to Prod. 11/21/01; Pump, 24 hrs., 78 BO, 503 BW, 33 MCF, GOR 423, Gty. 41.6; Orig. well data: Spd. 5/21/01; Elev. 3572 GL; TD 3630; Csg. 8-5/8 @ 1315 w/200; 5 @ 3625 w/525; Tops; SR 368, Qu. 885, GB 1325, SA 1556, Glo. 2967, Yeso 3065.
Nadel & Gussman Permian LLC #2 Rolling Rock State	31-23S-25E 940/S; 710/E	Recomplete from Mosey Canyon Stone to Mosley Canyon Bone Spring; set CIBP @ 9150 w/3 sx cmt.; perfs 6514-23, treat w-1500 gals. 15% NEFE, 30 BS, 13 tons CO2; set 2-7/8 tubing @ 6450; Ret. to Prod. No test reported; 12/10/01: Flow, 24 hrs., 182 MCF, Open Ch., TP 20; Orig. well data: Spd. 6/17/00; Elev. 3894 GL; TD 10,990; Csg. 13-3/8 @ 425 w/900; 8-5/8 @ 2700 w/1350; 5 @ 10990 w/551; DV @ 6900 w/310; Tops: Anhy 1355, X 1520, BX 2590, Dela. 3050, BS 4720, WC 7810, Strawn 9340, Atoka 9840, Morrow 10377.
Yates Pet. Corp. #4 State CO Com	36-19S-24E 1980/N; 1980/W	Recomplete from N. Dagger Draw U-Penn. to Cemetary Morrow; squeeze perfs 7682-7843, do cement to new TD 9420; PBDT 9250; perfs 9108-12, 9146-49, trat w-2750 gals. 7.5% acid & 1000 SCF N2 per bbl. 37,800 gals. 70q foam + 75000# 20/40 sd.; set 2-3/8 tubing @ 9084; Ret. to Prod. 7/27/00: Flow, 24 hrs., 0 BO, 1 BW, 33 MCF, 18/64" Ch., TP 200, CP Pkr.; Orig. Well data: Spd. 3/28/90; Elev. 3622 GL; TD 8020; Csg. 9-5/8 @ 1200 w/950; 7 @ 8020 w/1600; Tops: SA 493, Glo. 2017, Yeso 2101, BS 384, 3 rd BS 4521, WC 5402, Canyon 7563.
Yates Pet. Corp. #2 Dorothy VO Federal	14-8S-26E 1500/N; 1300/W	Recomplete from N. Foor Ranch Pre-Permian to Pecos Slope Abo; perfs 5596-5602, 4566-4950; set CIBP @ 5540 w/35' cmt.; frac w-83000 gals. 30# medallion 25q CO2 foam & 261,000# 16/30 sd., CO to CIBP; set 2-3/8 tubing @ 4527; Ret. to Prod. 4/28/02: Flow, 24 hrs., 0 BO, 0 BW, 119 MCF, 12/64" Ch., TP 160, C 280; Orig. well data: Spd. 6/8/01; Elev. 3934 GL; TD 6531; Csg. 8-5/8 @ 1004 w/600; 5 @ 6531 w/935; Tops: SA 1124, Glo. 2217, Yeso 2340, Tubb 3792, Abo 45398, WC 5246, Cisco 5822, Strawn 5943, Miss. 6176, Sil. 6340.
Mack Energy Corp. #5 Rincon State	20-17S-29E 180/S; 940/E	East Empire Pool; Spd. 10/24/01; Compl. 12/7/01; Elev. 3597 GL; TD 4510; PBDT 4464; Top Pay (Yeso) 3905.5; perfs 3905.5-4275.5; Treat 37,000 gals. acid, 54,000 gals. 40# gel; IP 12/21/01: Pump, 24 hrs., 155 BO, 385 BW, 264 MCF, GOR 1703; Csg. 13-3/8 @ 316 w/325; 8-5/8 @ 854 w/475; 5 @ 4478 w/735; 2-7/8 @ 4283; Tops: Yates 784, SR 1077, Qu 1682, SA 2354, Glo. 3827.
Harvey E. Yates Co. #1 Power Deep 31 Fed Com	31-17S-31E 660/S; 660/E	N. Shugart Pool; Spd. 4/18/01; Compl. 7/25/01; Elev. 3663 GL; TD 11,832; PBDT 11,767; Top Pay (Morrow) 11,686; perfs 11686-11703; Treat Natural; IP CAOF 13583 MCF, Var. Ch., TP 3205, CP Pkr., GOR 23878 Csg. 13-3/8 @ 352 w/1045; 8-5/8 @ 4500 w/2850; 7 @ 6804 w/500; @ 11832 w/500; 2-3/8 @ 11603; Tops: Rustler 470, Yates 1820, SR 2140, Qu 2765, GB 3105, SA 3595, BS 5150, WC 8670, Penn. 9815, Strawn 10680, Atoka 10940, Morrow 11435, Miss. 11730.
OXY USA WTP LP #2 Oxy Colt Federal	9-18S-29E 990/N; 660/E	South Empire Pool; Spd. 3/8/01; Compl. 5/24/01; Elev. 3508 GL; TD 11,370; PBDT 11293; Top Pay (Morrow) 10840; perfs 10840-10956; Treat 3000 gals. 7.5% Hcl., 25148q 70Q frac w-80000# sd.; IP 7/3/01: Flow, 24 hrs., 10 BO, 6 BW, 730 MCF, Open Ch., TP 618; Csg. 13-3/8 @ 406 w/745; 9-5/8 @ 3005 w/1075; 5 @ 11370 w/940; 2-7/8 @ 10750; Tops: WC 8032, Cisco 9502, Canyon 9745, Strawn 10024, Atoka 10,319, Morrow 10591.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS AREA, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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OLD WELLS RECOMPLETED AND DUAL COMPLETED, continued:

EDDY COUNTY, continued:

OXY USA WTP LP #1 Oxy Roadside Federal	10-18S-29E 660/N; 660/E	South Empire Pool; Spd. 8/11/00; Compl. 12/1/00; Elev. 3483 GL; TD 11496; PBTB 11426; Top Pay (Morrow) 10300; perfs 10300-11424; Treat 10900 gals. acid w-meth. & N2, 25,000g gel CO2 frac w-40,000# sd.; IP 2/1/01: Flow, 24 hrs., 15 BO, 6 BW, 380 MCF, Open Ch., TP 278; Csg. 13-3/8 @ 310 w/308; 9-5/8 @ 3238 w/1450; 5 @ 11496 w/380; 2-7/8 @ 10216; Tops: WC 9162, Penn, 9406, Cisco 9509, Canyon 9747, Strawn 10071, Atoka 10402, Morrow 10694.
Yates Pet. Corp. 31 Mule Deer ATU Fed Com	11-21S-21E 1559/S; 1438/W	Box Canyon Pool; Spd. 4/15/00; Compl. 7/26/00; Elev. 46,612 GR; TD 9370; PBTB 7022; Top Pay (Permo Penn) 5986; perfs 5986-6168, 7088-94, 7751-7807, 7941-46; Treat acidize w-32000 gals. Hcl. & BS; IP 10/18/00: Flow, 24 hrs., 1 BO, 20 BW, 302 MCF, 28/64" Ch., TP 145, CP Pkr.; Csg. 13-3/8 @ 310 w/857; 9-5/8 @ 2023 w/1875; 5 @ 8370 w/1810; 2-7/8 @ 5921; Tops: Glo. 1962, Yeso 2066, Tubb 2794, Abo 3396, WC 4567, Cisco 5872, Canyon 6526, Strawn 7174, Atoka 7612, Morrow 7916, Chester 8284.
Yates Pet. Corp. #4 Graham AKB State	2-22S-31E 1980/N; 1650/W	Lost Tank Pool; Spd. 2/26/01; Compl. 4/13/01; Elev. 3536 GL; TD 8,370; PBTB 8322; Top Pay (Delaware) 3970; perfs 3970-8200; Treat 73280# 16/30 + 126,100# 20/40 sd.; IP 8/3/01: Flow, 24 hrs., 37 BO, 3 BW, 81 MCF, TP 400, CP 90; Csg. 8-5/8 @ 1012 w/1450; 5 @ 8370 w/700; 2-7/8 @ 8322; Tops: Rustler 608, X 918, BX 4060, Bell Canyon 4352, Cherry Canyon 5420, Brushy Canyon 120, BS 8265.

LEA COUNTY

John H. Hendrix Corp. #1-Y Amoco "T" State	32-22S-38E 2080/S; 1880/W	Recompleted from South Paddock to Blinbry; squeeze paddock perfs 5180-5198, do cement 5090 to CIBP @ 5220; perfs 5551-5691, acidize w-2500 gals., frac w-100000# 20/40 sd. in gel CO2 foam; set 2-3/8 tubing @ 5635; Ret. to Prod. 4/28/02: Pump, 24 hrs., BO, 45 BW, 85 MCF, GOR 10625, Gty. 36.3; Orig. well data: Spd. 2/9/61; Elev. 3403 RDB; TD 5803; Csg. 8-5/8 @ 310 w/165; 4 @ 5803 w/72; Tops: Anhy 1265, BX 2530, Yates 2675, SA 4010, Glo. 5150.
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REENTRY:

CHAVES COUNTY

Yates Pet. Corp. #5Q Margene AWM Federal	19-9S-26E 1980/S; 1980/W	N. Foor Ranch.
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PLUGGED AND ABANDONED WELLS:

CHAVES COUNTY

Yates Pet. Corp. #2 Everette OO Federal	26-5S-24E 660/S; 660/E	Plugged and abandoned 5/28/02.
Yates Pet. Corp. #3 Salt Creek ACD Federal	21-8S-22E 1980/S; 990/W	Plugged and abandoned 6/4/02.

EDDY COUNTY

Calvin F. Tennison #2 Malaga Unit	12-24S-28E 330/S; 1650/E	Plugged and abandoned 9/7/84.
Bass Enterprises Prod. Co. #2 North Indian Flats 26 Federal	26-21S-28E 1650/S; 2310/E	Plugged and abandoned 4/1/97.
McQuadrangle, LC #16 South Red lake Grayburg Unit	35-17S-27E 2310/N; 2316/W	Plugged and abandoned 4/16/02.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS AREA, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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PLUGGED AND ABANDONED WELLS, continued:

LEA COUNTY

BP America Prod. Co. #17 Mescalero Ridge Unit	35-19S-34E 1980/N; 1650/E	Plugged and abandoned 1/10/86.
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Ammonite Energy Texas, Inc. #1 Dickinson Cattle Company	5-15S-38E 800/S; 550/E	Plugged and abandoned 6/15/01.
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Manzano Oil Corp. #1 Sand Springs State Unit	35-10S-34E 330/S; 330/W	Plugged and abandoned 8/23/00.
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Joe Melton Drlg. Co. Inc. #4 New Mexico G State	26-21S-36E 1980/N; 1980/E	Plugged and abandoned 3/29/02.
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Southwest Royalties Inc. #5 Eaves B	30-26S-37E 2310/N; 990/E	Plugged and abandoned 3/12/02.
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ZONE ABANDONMENTS:

LEA COUNTY

Chevron USA Inc. #11 Harry Leonard NCT D	3-22S-36E 1980/S; 1980/E	Eunice, South-Seven Rivers-Queen; Zone abandoned 3/26/02.
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Chevron USA Inc. #13 H T Mattern NCT E	12-22S-36E 2310/N; 330/E	Eumont Yates-Seven Rivers Queen; Zone abandoned 3/28/02.
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Marathon Oil Co. #603 South Eunice Seven Rivers Queen Unit	25-22S-36E 1980/S; 660/W	Eunice, South-Seven Rivers-Queen; Zone abandoned 2/11/02.
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Marathon Oil Co. #423 South Eunice Seven Rivers Queen Unit	26-22S-36E 1980/N; 660/E	Eunice, South-Seven Rivers-Queen; Zone abandoned 4/19/02.
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Marathon Oil Co. #302 South Eunice Seven Rivers Queen Unit	26-22S-36E 660/N; 1650/W	Eunice, South-Seven Rivers-Queen; Zone abandoned 4/19/02.
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Marathon Oil Co. #404 South Eunice Seven Rivers Queen Unit	35-22S-36E 1980/N; 2310/E	Eunice, South-Seven Rivers-Queen; Zone abandoned 4/19/02.
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Anadarko Pet. Corp. #1 Langlie Mattix Penrose Sand Unit	26-22S-37E 990/S; 330/W	Langlie Mattix Seven Rivers-Queen-Grayburg; Zone abandoned 4/10/02.
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Anadarko Pet. Corp. #1 Langlie Mattix Penrose Sand Unit	28-22S-37E 330/N; 2310/W	Langlie Mattix Seven Rivers-Queen-Grayburg; Zone abandoned 4/8/02.
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Occidental Permian Ltd. #2 State D Tr 14	16-24S-37E 660/S; 510/E	Fowler-Upper Yeso; Zone abandoned 2/18/02.
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Marathon Oil Co. #431 South Eunice Seven Rivers Queen Unit	25-22S-36E 660/N; 2310/E	Eunice, South-Seven Rivers-Queen; Zone abandoned 4/19/02.
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Enerquest Res., LLC #4 Laney	30-18S-39E 560/S; 2000/E	Leaco-Seven Rivers; Zone abandoned 4/24/02.
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Chevron USA Inc. #13 Theodore Anderson	8-20S-37E 2223/S; 853/E	Monument-Blinbry; Zone abandoned 4/5/02.
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Chevron USA Inc. #13 Theodore Anderson	8-20S-37E 2223/S; 853/E	Eumont Yates-Seven Rivers Queen; Zone abandoned 4/5/02.
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Chevron USA Inc. #1 Bell Ramsay NCT B	29-20S-37E 660/S; 660/W	Eumont Yates-Seven Rivers Queen; Zone abandoned 4/3/02.
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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:

Apache Corp. #1 Elliott Federal	1-21S-37E 1650/S; 330/W	Wantz-Abo; Zone abandoned 2/28/02.
Apache Corp. #118 Northeast Drinkard Unit	2-21S-37E 1973/N; 1650/W	Eunice, North-Blinebry-Tubb-Drinkard; Zone abandoned 4/19/02.
Apache Corp. #11 State Section 2	2-21S-37E 3376/N; 330/W	Wantz-Abo; Zone abandoned 4/10/02.
Smith & Marrs Inc. #6 Shults	13-12S-37E 1980/S; 660/E	Gladiola-Devonian; Zone abandoned 4/1/92.
Fulfer Oil & Cattle LLC #7 Westates Federal	1-25S-37E 530/N; 330/W	Justis-Blinebry; Zone abandoned 3/12/02.
Lewis B. Burleso Inc. #1 Marshall	11-21S-36E 660/S; 660/E	Eumont Yates-Seven Rivers-Queen; Zone abandoned 4/16/02.
Occidental Permian Ltd. #4 Mcquatters	11-21S-36E 860/N; 810/E	Hardy-Blinebry; Zone abandoned 2/27/02
Marks and Garner Prod. Ltd. Co. #1 Saunders 28 A State	28-14S-33E 1980/N; 660/E	Saunders-Permo Upper Penn; Zone abandoned 5/16/01.
Chevron USA Inc. #12 North Seven Rivers- Queen Waterflood	4-22S-36E 1305/S; 2635/E	Eunice, South-Seven Rivers-Queen; Zone abandoned 3/28/02.
Chevron USA Inc. #100 Eunice Monument South Unit	30-20S-37E 660/N; 2170/E	Eunice Monument-Grayburg-San Andres; Zone abandoned 4/2/02.
Apache Corp. #1 Chesher	12-21S-37E 1980/S; 1980/W	Wantz-Abo; Zone abandoned 4/12/02.
Enerquest Res., LLC #3 Carrie O. Davis	29-18S-39E 990/S; 990/W	Hobbs, East-San Andres; Zone abandoned 4/19/02.
Chevron USA Inc. #10 Harry Leonard NCT D	3-22S-36E 1980/N; 1980/W	Eunice, South-Seven Rivers-Queen; Zone abandoned 3/26/02.

TEMPORARY ABANDONMENTS:

LEA COUNTY

Pure Resources, LP #62 Lovington Paddock Unit	2-17S-36E 1980/S; 560/E	Lovington-Paddock; Effective date 6/19/02.
Pure Resources, LP #7 West Lovington Unit	6-17S-36E 1980/N; 660/E	Lovington, West-Upper San Andres; Effective date 6/19/02.
Chevron USA Inc. #389 Eunice Monument South Unit	14-21S-36E 1980/N; 660/W	Eunice Monument-Grayburg-San Andres; Effective date 6/6/02.
Chevron USA Inc. #427 Eunice Monument South Unit	15-21S-36E 660/S; 1980/E	Eunice Monument-Grayburg-San Andres; Effective date 6/6/02.

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New Mexico

Statehouse Reporting Service

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September 23, 2002

Vol. 39 - No. 26

IMPORTANT NOTICE: Examiner hearings have been tentatively been scheduled for October 24 and November 14, 2002. Applications for hearing must be filed at least 23 days in advance of hearing date.

EXAMINER HEARING HELD - SEPTEMBER 19 - SANTA FE

Michael E. Stogner - Chief Hearing Examiner
David Brooks - EMNRD Assistant General Counsel

RIO ARRIBA COUNTY

Non-Standard Gas Proration Unit and Unorthodox Subsurface Gas Well Location
(Case 12898) (Reopened and Readvertised)

Williams Production Company sought to establish a non-standard 303.88-acre gas spacing and proration unit within the Basin-Dakota Pool comprising all of irregular Sec. 1, T-31-N, R-6-W, Rio Arriba County, which is located approximately 5.5 miles south of the New Mexico/Colorado state line at mile corner marker No. 240. This unit is to be dedicated to Williams Production Company's proposed No. 164-B Rosa Unit Well to be directionally drilled from a surface location 1475 feet from the South line and 1235 feet from the East line (Unit J) of irregular Sec. 1 to an unorthodox bottomhole location within the Basin-Dakota Pool approximately 33 feet from the South line and 1650 feet from the West line (Unit N) of irregular Sec. 1. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

Appearances: William F. Carr (Santa Fe), attorney, for Williams Production Co.

Statement: Carr said Williams filed an administrative application in June 2002 and the Division advised that the application would have to go to hearing because the Basin Dakota does not have authorization for administrative approval of such an application. The application was taken under advisement August 1 but had to be continued for readvertisement. It has been readvertised.

The case was taken under advisement.

LEA COUNTY

Unit Agreement and Unorthodox Gas Well Location (Case 12923)

Yates Petroleum Corporation sought approval of the Calftrope State Exploratory Unit for an area comprising 1,560 acres of State of New Mexico lands located in the SW/4, W/2 NW/4 and SE/4 NW/4 of Sec. 28, and all of Secs. 29 and 32 of T-15-S, R-34-E, Lea County, and approval of an unorthodox gas well location for the initial test well on the unit at a location 2068 feet from the South line and 610 feet from the West line of said Sec. 28. The proposed unit is located approximately 10 miles northwest of Lovington, New Mexico.

Appearances: William F. Carr (Santa Fe), attorney, for Yates Petroleum Corp. and David Petroleum Corp.; Bill Owen, David Petroleum landman, Roswell; Keith McKamey, David Petroleum exploration geologist, Artesia.

Testimony: Owen said David Petroleum is a working partner with Yates in this area; basically, David Petroleum handles the land and exploration and Yates operates. This is the re-entry of the former Chevron State No. 1; they are encroaching only on acreage that is 100% committed to the unit. There are three leases, with the interest percentage common to all. The State Land Office has granted preliminary approval. This is the third voluntary unit in the area by David and Yates; they request that Yates be designated operator. The AFE lists dryhole costs of \$438,700 and completed-well costs of \$927,500. They plan to re-enter before October 1, and deepen by 2000' to 14000', in the Mississippian. This would be a 320-acre unit. Currently the NE/NW of Sec. 28 is not included; they are still negotiating with that owner and "very optimistic" that this minor interest will be included.

McKamey said the Atoka is the primary objective. The well was dry and abandoned Oct. 27, 1990. They expect to have better sands from deepening, because they will get into a structural low. They need a thick Morrow section, and have it here. If the initial well is successful, they anticipate drilling two offset locations; the three wells will drain the unit.

The case was taken under advisement.

LEA COUNTY

Compulsory Pooling (Case 12924)

EOG Resources, Inc. sought an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation in the following described acreage: Lots 3 and 4, E/2 SW/4, and SE/4 (S/2 equivalent) to form a spacing and proration unit for all formations developed on 321.94-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated North Hume-Morrow Gas Pool and the Undesignated North Eidson-Morrow Gas Pool; SW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; the S/2 SW/4 to form a standard spacing and proration unit for all formations and pools developed on 80-acre spacing within that vertical extent which includes but is not necessarily limited to the Big Dog-Atoka Pool; and the NW/4 SW/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 Big Dog-Strawn Pool and the Undesignated Townsend Permo-Upper Pennsylvanian Pool, all in Sec. 30, T-15-S, R-35-E, Lea County. Applicant proposes to dedicate the pooled units to its No. 3 John's Hopper "30" Federal Well to be drilled at a standard gas well location 1980 feet from the South line and 880 feet from the West line of said Sec. 30. Also to have been considered was 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. Said area is located approximately 5 miles northwest of Lovington, New Mexico.

Appearances: William F. Carr (Santa Fe), attorney, for EOG Resources, Inc.; Bill Owen, David Petroleum, Roswell; Patrick J. Tower, EOG division land specialist, Midland TX; David A. Godsey, EOG project geologist, Midland.

Testimony: Tower said EOG acquired the well interests by farmout from David H. Arrington; this is all fee land. There is 16.08480% uncommitted, common throughout the unit. There is a disagreement with Yates & David Petroleum Corporations on the percentages; the percentages he is showing are based on EOG's title opinion. They are arguing that it could be as much as 34%. The two sides are negotiating; if they cannot reach agreement, they will seek arbitration or a court order. EOG plans to spud before October 6; the disputed amounts will be escrowed. The AFE for a 13,300' well lists dryhole costs of \$692,600 and completed-well costs of \$1,365,500. The recommended overhead rates are \$6000/mo for drilling and \$600/mo for production. The primary objective is the Morrow; the Atoka (80-acre) pooling application will be dismissed.

Godsey said the primary objective is the Morrow. Structure is important out here. The paleo lows had an influence on Morrow deposition, and there is a low going across this area. A gross sand isopach shows a relatively thick section of Morrow sands across the location. A structural cross-section confirms this interpretation, but any assumption of continuity of the Morrow sands is all interpretive. He recommended a 200% risk penalty.

The case was taken under advisement.

SAN JUAN COUNTY

Compulsory Pooling (Case 12910 – Continued from August 22)

Richardson Production Company sought an order pooling all mineral interests in the Pictured Cliffs formation underlying the NE/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the E/2 of Irregular Sec. 14, T-29-N, R-14-W, San Juan County, forming standard spacing and proration units, respectively. These units are to be dedicated to its No. 2 Navajo "14" Well which has been drilled in Unit L of Sec. 14 for downhole commingled production from the Pictured Cliffs formation (West Kutz-Pictured Cliffs Gas Pool) and the Basin-Fruitland Coal Gas Pool. Also to have been considered was 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 well is located approximately 5 miles east of Kirtland, New Mexico.

Appearances: W. Thomas Kellahin (Santa Fe), attorney, for Richardson Production Co.; Gary Horner (Farmington), attorney, for Mary Fisher.

Statement: Kellahin said the case was heard August 22 and continued with instructions to the two sides to continue negotiations. He wrote August 27 making an offer; he got a reply September 17, essentially making the same demand as before. As far as he is concerned, it is Fisher who is not negotiating in good faith. He asked that the case be taken under advisement.

Testimony: Horner said the offer from Richardson is the same; Richardson still under-calculates Fisher's interests, offers no royalty and wants to escrow funds. He wrote a letter September 12 asking for her interest to be calculated at 45.47 acres. Now he believes it should be 57.47 acres, taking her interest to midstream, as the Navajo interest is being treated. He would argue that it is Richardson that has not been negotiating in good faith. He recommended that no penalty be assessed, and that she be protected from liability.

The case was taken under advisement.

LEA COUNTY

Compulsory Pooling (Case 12925)

Trilogy Operating, Inc. sought an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 NE/4 of Sec. 24, T-19-S, R-38-E, Lea County, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools spaced on 40-acre spacing, including but not limited to the South Nadine-Seven Rivers-Yates Pool, Nadine-Blinebry Pool, Nadine-Tubb Pool, and Nadine-Drinkard-Abo Pool. This unit is to be dedicated to its No. 2 Sapphire Well to be drilled at a standard well

LEA COUNTY

Compulsory Pooling (Case 12925) (Continued)

location in Unit B of this section. Also to have been considered was 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. This unit is located approximately 7 miles east of Angell, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

Appearance: W. Thomas Kellahin (Santa Fe), attorney, for Trilogy Operating, Inc.

Statement: Kellahin presented the case by exhibits and affidavit. He said the case is similar to that for the Sapphire No. 1 well, for which compulsory pooling was authorized by Division Order No. R-11659 on September 18, 2001. The difference is that this well has been drilled, so the penalty should be reduced to 100%.

The case was taken under advisement.

EDDY COUNTY

Compulsory Pooling (Case 12926 - Dismissed)

Dismissed is the application of David H. Arrington Oil and Gas, Inc. seeking 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 include but are not necessarily limited to the Penasco Draw Permo-Penn Gas Pool. Said units are to be dedicated to the 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 have been considered was 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.

SAN JUAN COUNTY

Compulsory Pooling (Case 12917 – Continued to October 10)

Continued to October 10 is the application of Synergy Operating, LLC seeking an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the NE/4 of Sec. 25, T-28-N, R-10-W, San Juan County, 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 Fulcher Kutz-Pictured Cliffs Gas Pool. The unit is to be dedicated to the No. 6 Omler Well, to be re-entered and worked over at a location 1190 feet from the North line and 1820 feet from the East line of Sec. 25. 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 southeast of Bloomfield, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

LEA COUNTY

Compulsory Pooling (Case 12927 - Dismissed)

Dismissed is the application of Ricks Exploration, Inc. seeking an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the SE/4 NE/4 of Sec. 22, 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. 1 State 22 Well, to be drilled at an orthodox oil well location in the SE/4 NE/4 of Sec. 22. Also to have been considered was 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 12928)

Mewbourne Oil Company sought an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Sec. 11, T-21-S, R-27-E, and in the following manner: the W/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 but not limited to the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, and Burton Flat-Morrow Gas Pool; 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, including but not limited to the East Avalon-Bone Spring Gas Pool; and the SW/4 SW/4 to form a 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 LaHuerta-Delaware Pool and East Avalon-Bone Spring Pool. The units are to be dedicated to applicant's No. 1 Esperanza "11" St. Com. Well, to be drilled at an orthodox well location in the SW/4 SW/4 of Sec. 11. Also to have been considered was 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 units are located approximately 6 miles northeast of Carlsbad, New Mexico.

Appearances: James Bruce (Santa Fe), attorney, for Mewbourne Oil Co.; Paul Haden, Mewbourne landman, Midland TX; Bryan Montgomery, Mewbourne engineer, Tyler TX; Mike Burke, Mewbourne geologist, Midland.

EDDY COUNTY
Compulsory Pooling (Case 12928) (Continued)

Testimony: Haden said the location is 1010 FSL and 660 FWL of Sec. 11, which would be unorthodox for an oil well. Mewbourne owns 100% of the unit being encroached upon. The location was moved at federal Bureau of Land Management (BLM) request for archaeological and surface reasons. He listed the ownership percentages; Devon Energy does not want to participate but is open to a farmout. Mewbourne requests that it be designated operator. Recommended overhead rates are \$6,000/mo for drilling and \$600/mo for production, adjusted by COPUS accounting procedures.

Statements: Bruce said the case would have to be readvertised for Oct. 10 because the location had become unorthodox.

Examiners Brooks and Stogner suggested that instead the order could state that the oil interval could not be produced without an NSL order.

Bruce said that would be fine.

Testimony resumed: Montgomery said the AFE lists dryhole costs of \$640,000 and completed-well costs of \$1,062,500 for an 11900' test. Mewbourne has drilled six wells in the last 12 months within a five-mile area, and the costs are based on that experience. He said a 200% risk penalty should be assessed.

Burke said his structure map shows wells to west at crest of an anticlinal feature have much better production because they are producing from two Morrow intervals. A cross-section confirms this. If you look at the production from the various zones on a well-by-well basis across nine sections, there's considerable risk from both structural placement and discontinuity. There's some real good wells out there, and there's a bunch of stinkers. They don't feel like the Lower Morrow is going to be productive in this well. The same is true of the Strawn; the better wells are to the west and high on the structure. The principal risk factors are depletion from offset wells, and finding sufficient reserves and porosity.

The case was taken under advisement.

EDDY COUNTY
Compulsory Pooling (Case 12929)

Mewbourne Oil Company sought an order pooling all mineral interests from the base of the Yates formation to the base of the Morrow formation underlying the following described acreage in Sec. 14, T-21-S, R-27-E, and in the following manner: the W/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 but not limited to the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, and Burton Flat-Morrow Gas Pool; 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, including but not limited to the East Avalon-Bone Spring Gas Pool; and the SW/4 SW/4 to form a 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 LaHuerta-Delaware Pool, Undesignated East Avalon-Bone Spring Pool, and Undesignated East Carlsbad-Bone Spring Pool. The units are to be dedicated to applicant's No. 1 Esperanza "14" St. Com. Well, to be drilled at an orthodox well location in the SW/4 SW/4 of Sec. 14. Also to have been considered was 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 units are located approximately 5 miles northeast of Carlsbad, New Mexico.

Appearances: James Bruce (Santa Fe), attorney, for Mewbourne Oil Co.; Michael Feldewert (Santa Fe), attorney, for Harvey E. Yates Co. and Shinnery Investments; Paul Haden, Mewbourne landman, Midland TX; Bryan Montgomery, Mewbourne engineer, Tyler TX; Mike Burke, Mewbourne geologist, Midland.

Testimony: Haden said they seek to exclude the Atoka formation; there is a marginal Atoka well in the NW/4. They seek to pool Devon Energy, Shinnery Investment, Cibola Energy, HEYCO et al. Tentative agreements have been reached with all, but Mewbourne needs to move ahead on its rig schedule. Mewbourne plans to drill 20-25 Morrow wells over the next year. This well will be 660 FSL and 660 FWL. The recommended overhead rates are \$6,000/mo for drilling and \$600/mo for production, adjusted by the COPUS accounting procedure. Mewbourne wants to be designated operator.

Montgomery said the AFE for the 11,900' Morrow well shows dryhole costs of \$640,000 and completed-well costs of \$1,062,500. In his opinion, the 200% risk penalty should be assessed.

Burke said the structural situation and risks involved are the same as those for the Sec. 11 well in Case 12928. The better wells are updip and to the west; the wells to the north are even further updip and even better because they produce more gas and less water. With regard to the Morrow, this is even a little riskier prospect, because they are further downdip.

The case was taken under advisement.

EDDY COUNTY

Compulsory Pooling and a Unorthodox Oil Well Location (Case 12930 – Continued to October 10)

Continued to October 10 is the application of Mewbourne Oil Company seeking an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the following described acreage in Sec. 35, T-23-S, R-28-E, Eddy County, 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 but not limited to the Undesignated South Culebra Bluff-Wolfcamp Gas Pool, Undesignated South Culebra Bluff-Strawn Gas Pool, and South Culebra Bluff-Atoka Gas Pool; the SE/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 N/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within that vertical extent, including but not limited to the Undesignated South Culebra Bluff-Bone Spring Pool; and the NE/4 SE/4 to form a 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 Malaga-Bone Spring Pool. The units are to be dedicated to applicant's No. 1 Layla "35" Fee Com. Well, to be drilled at an unorthodox oil well location/orthodox gas well location 1650 feet from the South line and 1241 feet from the East line (Unit I) of Sec. 35. 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 units area located approximately 2 miles northeast of Malaga, New Mexico.

LEA COUNTY

Compulsory Pooling (Case 12931 - Dismissed)

Dismissed is the application of Concho Oil & Gas Corp. seeking an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the E/2 SW/4 of Sec. 9, T-20-S, R-35-E, Lea County, to form a standard 80-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including but not necessarily limited to the Featherstone-Bone Spring Pool. The unit is to be dedicated to a well to be located at an orthodox location in the SE/4 SW/4 of Sec. 9. Also to have been considered was 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 12 miles west-southwest of Monument, New Mexico.

EDDY COUNTY

Pool Creation and Special Pool Rules (Case 12916 – Continued to October 24)

Continued to October 24 is the application of Ocean Energy, Inc. seeking creation of the Magruder-Lower Bone Spring Pool to initially cover the NW/4 of Sec. 10, T-21-S, R-27-E, Eddy County, and the promulgation of special rules and regulations for the pool, including provisions for 160-acre spacing and a gas-oil ratio of 4000 cubic feet of gas for each barrel of oil produced. The posed pool is located approximately 6 miles north-northeast of Monument, New Mexico.

EDDY COUNTY

Non-Standard Gas Spacing and Proration Unit (Case 12932)

Ocean Energy, Inc. sought an order approving a non-standard gas spacing and proration unit in the Saladar-Strawn Pool comprised of the SE/4 of Sec. 28, T-20-S, R-28-E, Eddy County. The unit will be dedicated to applicant's existing No. 13 Burton Flat Deep Unit Well, located in the SW/4 SE/4 of the section. The unit is located approximately 9 miles north-northeast of Carlsbad, New Mexico.

Appearances: James Bruce (Santa Fe), attorney, for Ocean Energy, Inc.; Derold Maney, Ocean landman, Midland TX.

Testimony: Maney said the well has been recompleted in the Strawn; it was first drilled in 1974 and produced starting in 1985. It produced a total of 3301 mcf in the Morrow. The well originally was a Burton Flat Unit well. Currently there are two leases: State Lease VB 539, dated April 1, 2000, for the N/2 of Sec. 28, and State Lease VB 540, dated August 1, 1988, for the SW/4. The well currently produces 300+ mcf/D. Both the BLM and the State Land Office denied application for a participating unit, on grounds that it would be uneconomic; they only consider the cost of a new drill. All working/mineral interest owners have waived production. As far as production monies, they are suspended and based on a 160-acre unit.

Cross-examined by Examiner Stogner, Maney said the well currently is shut in, and has been since Ocean's application for administrative approval was rejected. The State of New Mexico owns 100% of the royalty; there is no ORRI. The beneficiary is the common school fund under both leases. The working interest owners in the original unit are still the working interest owners. Ocean proposes that the original working interest owners who paid for the well receive a share of the working interest proceeds under the unit agreement. Yates owns the SW/4, and recognized that it would not participate in a Strawn well even if force-pooled. It seemed more beneficial to trade no-objection letters.

Statement: Bruce agreed to furnish a summary of the unit agreement and unit operating agreement, and a list of current working interest owners.

The case was taken under advisement.

CHAVES COUNTY

Bring One Well into Compliance with Rule 201.B, and Assessing
Civil Penalty (Case 12907 – Dismissed)

Dismissed is this case, which the Oil Conservation Division, upon its own motion, has called to consider an order requiring McKay Oil Corporation to bring its No. 4 West Fork Federal Unit Well located 1650 feet from the South and West lines of Sec. 32, T-4-S, R-22-E, Chaves County, into compliance with OCD Rule 201.B by either restoring said well to production or beneficial use, plugging and abandoning said well or securing Division approval for temporary abandonment thereof.

CHAVES AND EDDY COUNTIES;
Creating and Extending Pools (Case 12933)

The Oil Conservation Division, upon its own motion, called this hearing to consider the extension of pools in Chaves and Eddy Counties, and the creation of the following pools in Eddy County:

CLAYTON BASIN-SEVEN RIVERS POOL, T-20-S, R-29-E; the discovery well is the Shackelford Oil Company No. 1 Eddy "IK" State Well, located in Unit G of Sec. 2. Said pool would comprise the NE/4 of Sec. 2.

DIAMOND MOUND-UPPER PENNSYLVANIAN GAS POOL, T-16-S, R-27-E; the discovery well is the Ocean Energy, Inc. No. 1 Bogle State Com. Well, located in Unit H of Sec. 2. Said pool would comprise Lots 1, 2, 7, 8, 9 and 10 of Sec. 2.

LOCO HILLS-STRAWN POOL, T-18-S, R-30-E; the discovery well is the EOG Resources, Inc. No. 1 Oatmeal "8" Federal Com. Well, located in Unit O of Sec. 8. Said pool would comprise the SE/4 of Sec. 8. IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

There were no appearances and no objections. The case was taken under advisement.

* * * * *

COMMISSION HEARING SET – SEPTEMBER 20 – SANTA FE

Lori Wrotenbery – Commission Chairman
Jami Bailey – Commissioner
Robert Lee, Ph.D – Commissioner
Steven Ross – NMOCC General Counsel
Florene Davidson – Commission Secretary

Business: The minutes of the August 30, 2002 Commission hearing were adopted.

STATE OF NEW MEXICO

Adoption of Amendments to Division Rule 118 (Case 12897)

The Oil Conservation Division, upon its own motion, called this hearing to consider the repeal of existing Rule 118 (Hydrogen Sulfide Gas) and to adopt new Rule 52 (Hydrogen Sulfide Gas) in lieu thereof. The proposed rule prescribes precautionary and warning measures, and requires contingency plans to provide for management of releases of hydrogen sulfide gas. The proposed rule will apply statewide. The Commission will conduct a public hearing and workshop on the draft of the proposed rule issued on August 30, 2002.

Statement: Chairman Wrotenbery noted that the Commission had continued its July 19 hearing on the proposed amendments with the intent of allowing more comment from both the Division and from the industry. She said the Commission would consider the comments and possibly act on them at its regular hearing on September 27, 2002.

Appearances: David Brooks (Santa Fe), Assistant General Counsel, New Mexico Energy, Minerals & Natural Resources Department, for the Division; Wayne Price, NMOCD environmental engineer, Santa Fe; Randall Bayless, NMOCD environmental specialist, Santa Fe; Bruce Gantner, Burlington Resources environmental engineer, Farmington, for the New Mexico Oil & Gas Association (NMOGA) and New Mexico Independent Producers Association (NMIPA).

Testimony: Price presented the Division's comments on the Commission's previous draft. He summarized the Division's recommendations as follows:

That the original opening statement be restored.

That other provisions applicable to downstream facilities properly should not apply to pipelines.

That the present language makes clear that more stringent requirements under Rule 711 will govern.

That the current language in Paragraph E.2 is confusing, and the following should be substituted:
"... whenever a potentially hazardous volume of hydrogen sulfide is present *or (in the case of a well being drilled, deepened or re-entered), may be reasonably expected to be present...*"

That the signage requirement applicable to pipelines should be amended by adding the words "or other pipeline" following the words "flow line or gathering line."

STATE OF NEW MEXICO
Adoption of Amendments to Division Rule 118 (Case 12897) (Continued)

That the requirements for conformance to API standards during drilling, completion, workover and well servicing operations should apply wherever H2S concentrations of 100 ppm are present, regardless of the existence or not of potentially hazardous volume (PHV).

That the less stringent provision on a trigger for well control equipment should be restored.

That the following language regarding specific equipment requirements should be substituted:

f. Use of Well Control Equipment

Drilling. A remote controlled well control system shall be installed and operational at all times beginning when drilling is within 500 feet of the formation believed to contain hydrogen sulfide and continuously thereafter during drilling. The control system must include, at a minimum, a pressure and hydrogen-sulfide well control choke and kill system including manifold and blowout preventer that meets or exceeds the specifications API-16C and API-RP 53 or other specification approved by the Division. The blowout preventer stack shall have at least one spool, or integral BOP spool for the kill and choke lines, one dual BOP with one pipe and one blind ram, one annular device and a rotating head. Operators may be required to have available float valves, internal BOPs, stabbing valves, drill stem valves, etc., and other additional equipment in order to provide for public safety. Mud-gas separators shall also be used. These systems shall be tested and maintained pursuant to the specifications referenced, according to the requirements of this part, or otherwise as approved by the Division.

Completion, Workover and Well Servicing. A remote controlled pressure and hydrogen sulfide rated well control system that meets or exceeds API specifications or other specifications approved by the Division shall be installed and operational at all times before commencing work.

That previous wording ("if feasible") in Section G.2.f.ii is inappropriate since a drilling BOP stack is not appropriate in completion/workover operations.

That references to safety equipment be restored to appropriate locations in Subparagraphs G.2.a and G.2.c. (Price noted that Texas Rule 36 and the BLM's On-Shore No. 6 has similar safety and equipment language.)

That the following language about detection equipment activation level should be inserted:

Each drilling and completion site shall have a hydrogen sulfide detection and monitoring system that automatically activates visible and audible alarms when the ambient air concentration of hydrogen sulfide reaches a predetermined value set by the operator, not to exceed a maximum of 20 ppm. There shall be a sensing point located at the shale shaker, rig floor and bell nipple for a drilling site and the cellar, rig floor and circulating tanks or shale shaker for a completion site.

That the trigger for API standards on protection at crude oil pump stations, producing wells, tank batteries and associated production facilities, refineries, gas plants and compressor stations should be in accordance with the consensus reached by the work group: the lower trigger, the presence of 100 ppm of H2S in the gaseous mixture.

That Subsection H on application to downstream facilities should apply to downstream facilities, not just to wells.

That the 50 ppm contingency plan activation level should be restored.

Price said that industry concerns were expressed at the July 19 hearing that the activation of plans would be required regardless of whether facilities were in remote areas. He pointed out that if a well or facility does not have a PHV, because of remoteness from public areas or public roads, it will not have a contingency plan to activate.

Bayless repeated his testimony from the July 19 hearing on the lethal quality of H2S. He said concentration and time are two separate factors and have to be considered separately. The most lethal dose on record is 600 ppm for 10 minutes.

Gantner presented a proposal from NMOGA and IPA that would set a PHV at 100 ppm, grandfather most existing wells and facilities, give operators/owners a year instead of six months to install signage and equipment and remove well and well testing from many applications.

The comments were taken under advisement.

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COMMISSION HEARING SET - SEPTEMBER 27 - SANTA FE
The Land Commissioner's designee for this hearing will be Jami Bailey.

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.

STATE OF NEW MEXICO

Amend and Adopt Rules Pertaining to Surface Commingling (Case
12867 - Continued from July 19) (This case will be dismissed.)

The Oil Conservation Division, upon its own motion, has called this hearing to consider the repeal of current Rules 303.B (19 NMAC 15.5.303.B) including the "Manual for the Installation and Operation of Commingling Facilities," 309.B (19 NMAC 15.5.309.B) and 309.C (19 NMAC 15.5.309.C), the amendment of Division Rule 303 (19 NMAC 15.5.303) and the adoption of new Rule 315 and new Form C-107-B pertaining to surface commingling. A copy of the proposed new rules and Form C-107-B may be accessed on the internet on the Division homepage at: www.emnrd.state.nm.us/ocd. A public hearing on the proposed new rules will be held in Porter Hall, 1220 S. Saint Francis Drive, Santa Fe, New Mexico, at 9:00 A.M. on July 19, 2002. Written comments will be accepted until July 19, 2002 by the Oil Conservation Division, 1220 S. Saint Francis Dr., Santa Fe, New Mexico 87505, attn: Commission Secretary.

STATE OF NEW MEXICO

Repeal of Rule 402 (Case 12934)

The Oil Conservation Division, upon its own motion, has called this hearing to consider the repeal of Rule 402, which presently requires all operators of gas wells to conduct annual shut-in pressure tests on each such wells and prescribes the manner of conducting and reporting such tests. Application of the proposed repeal is STATEWIDE.

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, has 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.

LEA COUNTY

Compulsory Pooling and Four Non-Standard Oil and Gas Spacing and
Proration Units (Case 12567 - Continued from February 15) (De Novo)

Ocean Energy Resources, inc. seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying Lots 1-8 of irregular Sec. 3, T-16-S, R-35-E, Lea County, and in the following manner: Lots 1-8 to form a non-standard 355.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool and Undesignated North Shoe Bar-Morrow Gas Pool; Lots 3-6 to form a non-standard 177.21-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; Lots 3 and 4 to form a non-standard 97.21-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated South Big Dog-Strawn Pool; and Lot 4 to form a non-standard 48.43-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Townsend-Permo Upper Pennsylvanian Pool. The units are to be dedicated to applicant's Townsend State Com. Well, to be located at an orthodox location 800 feet from the North line and 660 feet from the West line of Sec. 3. 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 units are located approximately 6 miles west-northwest of Lovington, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

LEA COUNTY

Compulsory Pooling and Four Non-Standard Oil and Gas Spacing and Proration Units (Case 12535 -
Continued from February 15) (De Novo)

Ocean Energy Resources, Inc. seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying Lots 1 through 8 of Irr. Sec. 3, T-16-S, R-35-E, Lea County, and in the following manner: Lots 1 through 8 to form a non-standard 355.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool and Undesignated North Shoe Bar-Morrow Gas Pool; Lots 3 through 6 to form a non-standard 177.21-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; Lots 3 and 4 to form a non-standard 97.21-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated South Big-Dog-Strawn Pool; and Lot 4 to form a non-standard 48.43-acre oil spacing and

Monday, September 23, 2002

LEA COUNTY

Compulsory Pooling and Four Non-Standard Oil and Gas Spacing and Proration Units (Case 12535 –
Continued from February 15) (De Novo) (Continued)

proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Townsend-Permo Upper Pennsylvanian Pool. The units are to be dedicated to applicant's No. 10 Townsend State Com. Well, to be located at an orthodox location 800 feet from the North line and 660 feet from the West line of Sec. 3. 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 units are located approximately 6 miles west-northwest of Lovington, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

LEA COUNTY

Compulsory Pooling and a Non-Standard Gas Spacing and Proration Unit (Case
12590 – Continued from February 15) (De Novo)

Yates Petroleum Corporation seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in Lots 1 through 8 (N/2 equivalent) of Irr. Sec. 3, T-16-S, R-35-E, to form a non-standard 355.80-acre gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated North Shoe Bar-Atoka Gas Pool and the Undesignated North Shoe Bar-Morrow Gas Pool. Said unit is to be dedicated to Yates No. 2 Daisy AFS State Well to be drilled at a standard location 660 feet from the North and East lines of said Sec. 3 to a depth sufficient to test all formations from the surface to the base of the Mississippian formation. 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. Said area is located approximately 6 miles west-northwest of Lovington, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

LEA COUNTY

Compulsory Pooling and a Non-Standard Gas Spacing and Proration Unit (Case
12569 – Continued from February 15) (De Novo)

Yates Petroleum Corporation seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in Lots 1 through 8 (N/2 equivalent) of Irregular Sec. 3, T-16-S, R-35-E, to form a non-standard 355.80-acre gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated North Shoe Bar-Atoka Gas Pool and the Undesignated North Shoe Bar-Morrow Gas Pool. Said unit is to be dedicated to Yates No. 2 Daisy AFS State Well to be drilled at a standard location 660 feet from the North and East lines of said Sec. 3 to a depth sufficient to test all formations from the surface to the base of the Mississippian formation. 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. Said area is located approximately 6 miles west-northwest of Lovington, New Mexico. Upon application of Yates Petroleum Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

LEA COUNTY

Two Non-Standard Gas Spacing and Proration Units (Case 12738 – Continued from February 15)

Yates Petroleum Corporation seeks an exception to the provisions of Division Rule 104.C(2) to create two non-standard gas spacing and proration units for all formations developed on 320-acre spacing which include but are not necessarily limited to the Undesignated North Shoe Bar-Atoka Gas Pool, the Undesignated Townsend-Morrow Gas Pool, the Undesignated North Shoe Bar-Morrow Gas Pool and the Undesignated North Hume-morrow Gas Pool comprising: (i) Lots 1, 2, 7 and 8 (NE/4 equivalent) to form a 178.59-acre non-standard gas spacing and proration unit; and (ii) Lots 3 through 6 (NW/4 equivalent) to form a 177.21-acre non-standard gas spacing and proration unit. Said area is located approximately 6 miles west-northwest of Lovington, New Mexico.

LEA COUNTY

Compulsory Pooling and Four Non-Standard Oil and Gas Spacing and
Proration Units (Case 12794 - Continued from February 15)

Ocean Energy Resources, Inc. seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 1 through 8 of irregular Sec. 3, T-16-S, R-35-E, and in the following manner: Lots 1 through 8 to form a non-standard 355.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool and Undesignated North Shoe Bar-Morrow Gas Pool; Lots 3 through 6 to form a non-standard 177.21-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; Lots 3 and 4 to form a non-standard 97.21-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated South Big Dog-Strawn Pool; and Lot 3 to form a non-standard 48.78-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Townsend-Permo Upper Pennsylvanian Pool. The units are to be dedicated to applicant's No. 10 Townsend State Com. Well, to be located at an orthodox location in Lot 3 of Sec. 3. 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 units are located approximately 6 miles west-northwest of Lovington, New Mexico.

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EXAMINER HEARING SET – OCTOBER 10 – SANTA FE

Michael E. Stogner or David R. Catanach – Examiner

SAN JUAN COUNTY

Compulsory Pooling (Case 12917 – Continued from September 19)

Synergy Operating, LLC seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the NE/4 of Sec. 25, T-28-N, R-10-W, San Juan County, 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 Fulcher Kutz-Pictured Cliffs Gas Pool. The unit is to be dedicated to the No. 6 Omler Well, to be re-entered and worked over at a location 1190 feet from the North line and 1820 feet from the East line of Sec. 25. 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 southeast of Bloomfield, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

SANDOVAL AND SAN JUAN COUNTIES

Amendment of Division Order No. R-11185 (Case 12936)

Dugan Production Corporation seeks an exception to Division Rule 303.A and 309-A by amending Division Order No. R-11185, which order allows the surface commingling of natural gas from the Alamito-Gallup and Lybrook-Gallup Oil Pools in the South Lybrook Gas Gathering System operated by Questar E&P Company to include Rusty-Chacra Pool production from Dugan Production Corporations No. 2 Little b Well, located in Unit G, Sec. 36, T-23-N, R-8-W, San Juan County, and No. 1 South Seas Well located in Unit A of Sec. 6, T-22-N, R-7-W, Sandoval County. Applicant further seeks authority for off-lease measurement of natural gas from these wells. The subject wells are located approximately five miles southwest of Lybrook, New Mexico. **IN THE ABSENCE O OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CHAVES COUNTY

Unorthodox Infill Gas Well Location (Case 12937)

Pecos River Operating, Inc. seeks an exception to the well location requirements provided within the Special Rules and Regulations for the Pecos Slope-Abo Gas Pool set forth in Division Order No. R-9976-C from an unorthodox Abo infill gas well location within an existing standard 160-acre gas spacing unit for the Pecos Slope-Abo Gas Pool comprising the SE/4 of Sec. 4, T-7-S, R-26-E, Chaves County, which is located approximately 12 miles north-northeast of the Pecos River bridge on U.S. Highway 70. The applicant's proposed No. 7 Helen Collins Federal Well is to be drilled 2192 feet from the South line and 1651 feet from the East line (Unit J) of Sec. 4. This unit is currently dedicated to Pecos River Operating, Inc.'s No. 6 Helen Collins Federal Well, located at a standard gas well location 660 feet from the South line and 1980 feet from the East line (Unit O) of Sec. 4. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CHAVES COUNTY

Unit Agreement (Case 12938)

Yates Petroleum Corporation seeks approval of the Ten Mile State/Federal Exploratory Unit for an area comprising 3840 acres of State of New Mexico lands located in Secs. 20, 21, 28, 29, 32 and 33 of T-14-s, R-28-E, Chaves County, which is located approximately 10 miles east of Hagerman, New Mexico.

LEA COUNTY

Compulsory Pooling (Case 12939)

Nearburg Exploration Company, L.L.C. seeks an order pooling all mineral interests from the surface to the base of the Strawn formation in all formations and/or pools developed on 80-acre spacing in the S/2 SE/4 of Sec. 15, T-17-S, R-37-E, Lea County, to be dedicated to its No. 1-Y Gurnsey "15" Well to be re-entered and directionally drilled from a standard surface location 710 feet from the North line and 570 feet from the East line in the NE/4 NE/ of Sec. 22, T-17-S, R-37-E, Lea County, to a standard bottomhole location 510 feet from the South line and 660 feet from the East line in the SE/4 SE/4 of Sec. 15, T-17-S, R-37-E. The well will be drilled to a depth of approximately 11,500 feet to test all formations from the surface to the base of the Strawn formation, which includes the Undesignated Southwest Humble City-Strawn Pool. 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. Said area is located approximately 7 miles northwest of Hobbs, New Mexico.

EDDY COUNTY

Compulsory Pooling and a Unorthodox Oil Well Location (Case 12930 – Continued from September 19)

Mewbourne Oil Company seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the following described acreage in Sec. 35, T-23-S, R-28-E, Eddy County, 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 but not limited to the Undesignated South Culebra Bluff-Wolfcamp Gas Pool, Undesignated South Culebra Bluff-Strawn Gas Pool, and South Culebra Bluff-Atoka Gas Pool; the SE/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 N/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within that vertical extent, including but not limited to the Undesignated South Culebra

EDDY COUNTY

Compulsory Pooling and a Unorthodox Oil Well Location (Case 12930 – Continued from September 19) (Continued)

Bluff-Bone Spring Pool; and the NE/4 SE/4 to form a 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 Malaga-Bone Spring Pool. The units are to be dedicated to applicant's No. 1 Layla "35" Fee Com. Well, to be drilled at an unorthodox oil well location/orthodox gas well location 1650 feet from the South line and 1241 feet from the East line (Unit I) of Sec. 35. 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 units area located approximately 2 miles northeast of Malaga, New Mexico.

EDDY COUNTY

Pool Creation and Special Pool Rules (Case 12940)

Mewbourne Oil Company seeks creation of the North Shugart-Strawn Pool to initially cover the Ne/4 of Sec. 8, T-18-S, R-31-E, Eddy County, and the promulgation of Special Rules and Regulations for the pool, including provisions for 160-acre spacing, a special depth bracket allowable, special well location requirements, and a gas-oil ratio of 4000 cubic feet of gas for each barrel of oil produced. The proposed pool is located approximately 6 miles southeast of Loco Hills, New Mexico.

EDDY COUNTY

Compulsory Pooling (Case 12941)

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.

EDDY COUNTY

Compulsory Pooling (Case 12913 – Continued from August 22)

Myco Industries, Inc. seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following acreage in Sec. 13, T-21-S, R-27-E: the N/2 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 Morrow Pool; the NE/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent; the N/2 NE/4 to form a standard 80-acre spacing and proration unit for all formations or pools spaced on 80 acres within this vertical extent; and the NE/4 NE/4 to form a standard 40-acre spacing and proration unit for all formations or pools spaced on 40 acres within this vertical extent. These spacing and proration units are to be dedicated to Myco's proposed No. 1 Baton Rouge North State Com Well to be drilled at a standard location in Sec. 13. 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. Said area is located approximately 1 mile north of Carlsbad, New Mexico.

EDDY COUNTY

Compulsory Pooling (Case 12914 – Continued from August 22)

Myco Industries, Inc. seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following acreage in Sec. 13, T-21-S, R-27-E: the S/2 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 Morrow Pool; the SE/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent; the N/2 SE/4 to form a standard 80-acre spacing and proration unit for all formations or pools spaced on 80 acres within this vertical extent; and the NE/4 SE/4 to form a standard 40-acre spacing and proration unit for all formations or pools spaced on 40 acres within this vertical extent. These spacing and proration units are to be dedicated to Myco's proposed No. 1 Baton Rouge South State Com Well to be drilled at a standard location in Sec. 13. 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. Said area is located approximately 1 mile north of Carlsbad, New Mexico.

LEA COUNTY

Compulsory Pooling (Case 12942)

David H. Arrington Oil and Gas, Inc. seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following acreage in irregular Sec. 1, T-16-S, R-34-E: Lots 1, 2, 7, 8, 9, 10, 15 and 16 to form a standard 328.334-acre E/2 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 Townsend-Morrow Gas Pool. This spacing and proration unit is to be dedicated to Arrington's proposed No. 1 Triple Teaser Federal Com Well to be drilled at a standard location 1200 feet from the North line and 1665 feet from the East line (Unit B) of Irregular Sec. 1. 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. Said area is located approximately 8 miles West of Lovington, New Mexico.

LEA COUNTY

Compulsory Pooling (Case 12943)

Great Western Drilling Company seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following acreage in Sec. 34, T-15-S, R-34-E: the E/2 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 limited to the North Edison-Morrow Gas Pool; the SE/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent; the N/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations or pools spaced on 80 acres within this vertical extent which presently includes, but is not limited to, the Undesignated North Edison Strawn Pool; and the NE/4 SE/4 to form a standard 40-acre spacing and proration unit for any and all formations or pools spaced on 40 acres within this vertical extent which presently includes, but is not limited to, the Townsend Permo-Penn Pool. These spacing and proration units are to be dedicated to the proposed No. 1 GWDC "34" Federal Well to be drilled at a standard location 1700 feet from the South line and 950 feet from the East line in the SE/4 of said Sec. 34. 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. Said area is located approximately 10 miles northwest of Lovington, New Mexico.

ROOSEVELT COUNTY

Plug One well, Imposing Civil Penalties, and Forfeiture of Applicable Plugging Bond (Case 12944)

The New Mexico Oil Conservation Division, upon its own motion, seeks an order requiring Shanley Oil Company, the operator of one (1) inactive well 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 bond, and providing for such other relief as the Director deems appropriate. The affected well is the No. 1 Harris 14 Well, located in Unit B, Sec. 14, T-6-S, R-33-E, Roosevelt County.

LEA COUNTY

Plug Two Wells, Imposing Civil Penalties, and Forfeiture of Applicable Plugging Bond (Case 12945)

The New Mexico Oil Conservation Division, upon its own motion, seeks an order requiring OK Operating Co., the operator of two (2) inactive wells 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 bond, and providing for such other relief as the Director deems appropriate. The affected wells are the No. 1 Arco Federal Well, located in Unit E, Sec. 4, T-10-S, R-38-E, and the No. 2 Arco Federal Well, located in Sec. 4, T-10-S, R-38-E, Lea County.

LEA COUNTY

Plug Two Wells, Imposing Civil Penalties, and Forfeiture of Applicable Plugging Bond (Case 12946)

The New Mexico Oil Conservation Division, upon its own motion, seeks an order requiring Gladstone Resources, Inc., the operator of two (2) inactive wells 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 bond, and providing for such other relief as the Director deems appropriate. The affected wells are the No. 1 McGarrity Well, located in Unit N, Sec. 6, T-20-S, R-38-E, and the No. 1 McNeill Well, located in Unit A, Sec. 27, T-19-S, R-38-E, Lea County.

LEA COUNTY

Plug One Well, Imposing Civil Penalties, and Forfeiture of Applicable Plugged Bond (Case 12947)

The New Mexico Oil Conservation Division, upon its own motion, seeks an order requiring Ammonite Energy Texas, Inc., 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 bond, and providing for such other relief as the Director deems appropriate. The affected well is the No. 2 Dickinson Cattle Co. 33 Well, located in Unit M, Sec. 33, T-14-S, R-38-E, Lea County.

LEA COUNTY

Plug Four Wells, Imposing Civil Penalties, and Forfeiture of Applicable Security (Case 12948)

The New Mexico Oil Conservation Division, upon its own motion, seeks an order requiring KC Resources, Inc., the operator of four (4) inactive wells 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

LEA COUNTY

Plug Four Wells, Imposing Civil Penalties, and Forfeiture of Applicable Security (Case 12948) (Continued)

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 New Mexico BH State NCT-1 Well, located in Unit C, Sec. 11, T-12-S, R-32-E; No. 2 New Mexico BH State NCT-1 Well, located in Unit F, Sec. 11, T-12-S, R-32-E; No. 4 New Mexico BH State NCT-1 Well, located in Unit D, Sec. 11, T-12-S, R-32-E; No. 2 New Mexico BB State NCT-1 Well, located in Unit N, Sec. 11, T-12-S, R-32-E, all in Lea County.

LEA COUNTY

Plug One Well, Imposing Civil Penalties, and Forfeiture of Applicable Security (Case 12949)

The New Mexico Oil Conservation Division, upon its own motion, seeks an order requiring Skyline Energy, L.L.C., 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, and providing for such other relief as the Director deems appropriate. The affected well is the No. 2 State B AC-1 Well, located in Unit B, Sec. 11, T-12-S, R-33-E, Lea County.

CHAVES AND LEA COUNTIES

Plug Three Wells, Imposing Civil Penalties, and Forfeiture of Applicable Security (Case 12950)

The New Mexico Oil Conservation Division, upon its own motion, seeks an order requiring Fi-Ro Corporation, the operator of three (2) inactive wells in Chaves County, and one (1) inactive well in Lea County, to properly plug and abandon said wells, 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 Gulf State H Well, located in Unit H, Sec. 23, T-13-S, R-31-E; the No. 1 Hondo Holloway State Well, located in Unit F, Sec. 36, R-12-S, R-31-E, both located in Chaves County; No. 5Y North Caprock Queen Unit 1 Tr. 27 Well, located in Unit E, Sec. 8, T-13-S, R-32-E, located in Lea County.

ROOSEVELT COUNTY

Plug Two Wells, Imposing Civil Penalties, and Forfeiture of Applicable Security (Case 12951)

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

Non-Standard Gas Spacing and Proration Unit, Unorthodox Gas Well Location, Simultaneous Dedication, Downhole Commingling, and Assignment of a Special Gas Allowable (Case 12868)

Apache Corporation has received an order for a 40-acre non-standard gas spacing and proration unit in the Blinbery Oil & Gas and Tubb Oil & Gas Pools comprising the SE/4 SW/4 of Sec. 11, T-22-S, R-37-E, Lea County. The applicant is also authorized to drill an unorthodox gas well location and simultaneous dedication thereto. This is Order No. R-11833; the hearing was held June 27, 2002.

LEA COUNTY

Compulsory Pooling (Case 12890 – Dismissed)

Dismissed is the application of Permian Resources, inc. seeking an order for compulsory pooling and an unorthodox well location in Lea County. This is Order No. R-11831; the hearing was held September 5, 2002.

EDDY COUNTY

Unorthodox Gas Well Location and Simultaneous Dedication (Case 12921)

V-F Petroleum, Inc. has received an order to re-enter the No. 2 Dow "B" 33 Federal Well, located at an unorthodox gas well location 660 feet from the North line and 2310 feet from the West line (Unit C) of Sec. 33, T-17-S, R-31-E, Eddy County, and complete the well for production from the lower Morrow interval, East Cedar Lake-Morrow Gas Pool. The applicant is further authorized to simultaneously dedicate a standard 320-acre gas spacing and proration unit comprising the N/2 of Sec. 33 to the aforesaid No. 2 Dow "B" 33 Federal Well and to its No. 2 Denali "33" Federal Well located 1580 feet from the North line and 760 feet from the West line (Unit E) of Sec. 33. This is Order No. R-11832; the hearing was held September 5, 2002.

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ADMINISTRATIVE ORDERS

LEA COUNTY

Downhole Commingling (Order DHC-3045)

ChevronTexaco, Inc. has received an exception to Rule 303-A for the No. 2 NM "EA" State Well, located in Unit B, Sec. 24, T-18-S, R-37-E, Wildcat-Tubb, Wildcat-Drinkard, and Wildcat-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 casing head gas allowable applicable for that pool. Assignment of allowable to the well and allocation of production from the well shall be based 1 percent oil, 1 percent gas for Wildcat-Tubb Pool; 29 percent oil, 94 percent gas for the Wildcat-Drinkard Pool; 70 percent oil, 5 percent gas for the Wildcat-Abo Pool. This is Order DHC-3045, signed September 5, 2002.

SAN JUAN COUNTY

Downhole Commingling (Order DHC-3046)

Burlington Resources Oil and Gas Company. has received an exception to Rule 303-A for the No. 11M Thompson Well, located in Unit P, Sec. 34, T-31-N, R-12-W, Basin-Dakota, Otero-Chacra, and Blanco-Mesaverde 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-3046, signed September 6, 2002.

EDDY COUNTY

Downhole Commingling (Order DHC-3047)

Mack Energy Corporation has received an exception to Rule 303-A for the No. 3 Antelope State Well, located in Unit K, Sec. 36, T-17-S, R-31-E, Undesignated Maljamar-Grayburg-San Andres Pools, Eddy 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 casing head gas allowable applicable for that pool. Assignment of allowable to the well and allocation of production from the well shall be determined following the wells completion. This is Order DHC-3047, signed September 9, 2002.

EDDY COUNTY

Non-Standard Location (Order NSL-4774(SD))

Pogo Producing Company has received an order for an unorthodox "infill" oil well location within an existing standard 40-acre oil spacing and proration unit comprising the SE/4 SE/4 (Unit P) of Sec. 2, T-22-S, R-31-E, Lost Tank-Delaware Pool, Eddy County. This 40-acre unit is currently dedicated to the No. 1 State "2" Well located at a standard oil well location 330 feet from the South and East lines of Sec. 2. This is Order NSL-4774(SD), signed September 10, 2002.

SAN JUAN COUNTY

Pool Commingling (Order PLC-181-A)

XTO Energy Inc. is authorized to commingle Otero-Chacra/Blanco-Mesaverde and Basin-Dakota pool production from the following leases:

No. 65 Florance, located in the Basin-Dakota Proration Gas Pool with a W/2 dedication;
No. 4A Florance "LS" located in the Otero-Chacra Gas Pool with a NW/4 dedication and Blanco-Mesaverde Prorated Gas Pool with a W/2 dedication, both located in Sec. 18, T-27-N, R-8-W, San Juan County. the No. 65 Florance gas stream shall have an allocation meter installed. Gas production from the No. 4A Florance "LS" shall be determined by the subtraction method. This is Order PLC-181-A, signed September 9, 2002.

EDDY COUNTY

Salt Water Disposal (Order SWD-847)

Premier Oil and Gas Inc. is authorized to re-complete its No. 16 Dale H. Parke "A" Tract Well located 1650 feet from the South line and 430 feet from the West line (Unit L) of Sec. 22, T-17-S, R-30-E, Eddy County, in such a manner as to permit the injection of produced water for disposal purposes into the Yeso formation at 4604 feet to 5100 feet through 2 7/8-inch plastic lined tubing set in a packer located at 4550 feet. The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer. The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 920 psi. This is Order SWD-847, signed September 14, 2002.

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NORTHWESTERN NEW MEXICO

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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NEW LOCATIONS:**MCKINLEY COUNTY**

BC & D Operating Inc. #2 Santa Fe	7-17N-8W 660/N; 660/E	S. Hospah Lower Sand.
BC & D Operating Inc. #55 Hospah Sand Unit	1-17N-9W 1650/N; 2710/E	Hospah Upper Sand.
BC & D Operating Inc. #2 Santa Fe RR B	5-17N-8W 50/S; 50/W	S. Hospah Upper Sand.

RIO ARRIBA COUNTY

Phillips Pet Co. NW #220R San Juan 31 6 Unit	33-31N-6W 660/N; 660/E	Basin Fruitland Coal.
Williams Prod. Co., LLC #46A Rosa Unit	8-31N-5W 10/S; 2470/E	Blanco MV; Basin Dakota.
Conoco Inc. #147F San Juan 28 7 Unit	10-27N-7W 2070/S; 860/W	Blanco MV; Basin Dakota.
Pure Res. LP #177R Rincon Unit	13-27N-7W 817/S; 2225/W	Basin Dakota; Blanco MV.
Pure Res. LP #134R Rincon Unit	12-26N-7W 665/N; 665/E	Basin Dakota; Blanco MV.
Pure Res. LP #203R Rincon Unit	27-27N-7W 2025/S; 665/W	Basin Dakota; Blanco MV.
Pure Res. LP #159R Rincon Unit	18-27N-6W 1030/N; 2505/E	Basin Dakota; Blanco MV.
Pure Res. LP #182R Rincon Unit	26-27N-6W 660/N; 1986/E	Basin Dakota; Blanco MV.
Burlington Res. O&G Co. #96B San Juan 30 6 Unit	26-30N-7W 2515/N; 180/E	Blanco MV; Basin Dakota.
Burlington Res. O&G Co. #31Y San Juan 27 4 Unit	7-27N-4W 1380/N; 2020/W	Blanco Mesaverde.

SANDOVAL COUNTY

Pitco Prod. Co. #1 State 36 22 6	36-22N-6W 810/S; 800/W	Rusty Chacra.
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SAN JUAN COUNTY

XTO Energy, Inc. #4B Florance D	20-27N-8W 2350/S; 1105/E	Blanco MV; Otero Chacra.
Cordillera Energy, Inc. #1B Lea	30-31N-12W 1840/N; 660/W	Blanco MV; Basin Dakota.
Richardson Operating Co. #3 F RPC 20	20-29N-13W 660/S; 715/W	Basin Fruitland Coal; West Kutz PC.
Allen Orion #1 Seitzinger	23-29N-11W 2310/N; 990/E	Bloomfield Farmington.
Phillips Pet. Co., NW #12B San Juan 32 8 Unit	21-31N-8W 647/N; 2192/W	Blanco Mesaverde.
Phillips Pet. Co., NW #200 San Juan 31 Federal	3-31N-9W 1585/S; 1400/W	Blanco Mesaverde.
Dugan Prod. Corp. #1 Harrison	24-22N-9W 1960/S; 830/E	Bisti Chacra.

NORTHWESTERN NEW MEXICO, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
<u>RE-ENTRY:</u>		
<u>RIO ARRIBA COUNTY</u>		
Rio Chama Pet., Inc. #6 Laguna Colorado 2	2-23N-1W 1650/N; 1650/W	WC23N1W2F MV.
<u>COMPLETIONS:</u>		
<u>RIO ARRIBA COUNTY</u>		
Energen Res. Corp. #1 Carson SWD	26-30N-4W 895/N; 705/W	SWD; Morrison Bluff Entrada; Completed 6/18/02.
Rio Chama Petroleum Inc. #1Y Harrington Federal 28	28-24N-1W 2310/N; 2115/E	Basin Fruitland Coal; Completed 6/1/01.
Burlington Res. O&G Co. #116N San Juan 28 6 Unit	33-28N-6W 2195/N; 530/W	Basin Dakota; Completed 6/14/02.
Burlington Res. O&G Co. #116N San Juan 28 6 Unit	33-28N-6W 2195/N; 530/W	Blanco-Mesaverde; Completed 6/14/02.
Burlington Res. O&G Co. #74B San Juan 30 6 Unit	23-30N-7W 1040/S; 680/E	Blanco-Mesaverde; Completed 6/17/02.
Energen Res. Corp. #50 San Juan 30 4	22-30N-4W 2360/S; 345/W	Blanco, East-Pictured Cliffs; Completed 7/8/02.
Energen Res. Corp. #112 San Juan 32 5	19-32N-5W 410/S; 1320/E	Basin Fruitland Coal; Completed 7/8/02.
Burlington Res. O&G Co. #38C San Juan 30 6 Unit	27-30N-7W 1655/S; 1975/W	Blanco-Mesaverde; Completed 7/15/02.
Williams Prod. Co., LLC #165 C Rosa Unit	25-31N-6W 1760/N; 1735/E	Basin Dakota; Completed 6/24/02.
Williams Prod. Co., LLC #165 C Rosa Unit	25-31N-6W 1760/N; 1735/E	Blanco-Mesaverde; Completed 6/24/02.
Phillips Pet. Co. NW #80M San Juan 30 5 Unit	6-30N-5W 1803/N; 1368/W	Basin Dakota; Completed 3/10/02.
Phillips Pet. Co. NW #54M San Juan 29 5 Unit	31-29N-5W 664/N; 2543/W	Basin Dakota; Completed 2/21/02.
Conoco Inc. #16 Northeast Haynes	16-24N-5W 1830/N; 960/W	Ballard Pictured Cliffs; Completed 1/29/02.
Energen Res. Corp. #8C Jicarilla 95	26-27N-3W 1865/N; 1795/E	Blanco-Mesaverde; Completed 3/16/02.
Burlington Res. O&G Co. #169N San Juan 28 6 Unit	2-27N-6W 790/S; 1710/E	Blanco-Mesaverde; Completed 6/26/02.
Conoco Inc. #252F San Juan 28 7 Unit	32-28N-7W 1885/S; 845/W	Basin Dakota; Completed 4/9/02.
Conoco Inc. #252F San Juan 28 7 Unit	32-28N-7W 1885/S; 845/W	Blanco-Mesaverde; Completed 4/9/02.
Conoco Inc. #101F San Juan 28 7 Unit	30-27N-7W 1365/S; 2260/W	Basin Dakota; Completed 5/17/02.
Conoco Inc. #101F San Juan 28 7 Unit	30-27N-7W 1365/S; 2260/W	Blanco-Mesaverde; Completed 5/17/02.
Williams Prod. Co., LLC #5B Rosa Unit	26-31N-6W 715/N; 1835/E	Basin Dakota; Completed 6/10/02.

NORTHWESTERN NEW MEXICO, continued:

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

SANDOVAL COUNTY

Pitco Prod. Co. #1 State 36 22 6	36-22N-6W 810/S; 800/W	Rusty Chacra; Completed 8/19/79.
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SAN JUAN COUNTY

Burlington Res. O&G Co. #339R Quinn	20-31N-8W 840/N; 1095/W	Basin Fruitland Coal; Completed 6/17/02.
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Robert L. Bayless Prod. LLC #7 Floyd	17-30N-12W 955/N; 980/W	Basin Fruitland Coal; Completed 6/14/02.
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XTO Energy, Inc. #1B Dawson Federal	26-27N-8W 2420/N; 950/W	Blanco-Mesaverde; Completed 5/23/02.
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Devon Energy Prod. Co., LP #59A Northeast Blanco Unit	24-31N-7W 1870/S; 670/E	Basin Dakota; Completed 5/21/02.
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Coleman Oil & Gas Inc. #1 Juniper SWD	16-24N-10W 880/N; 730/W	SWD; Mesaverde; Completed 6/29/02.
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Burlington Res. O&G Co. #2 Sadie West	21-31N-12W 920/N; 830/W	Blanco-Mesaverde; Completed 6/10/02.
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Dugan Prod. Corp. #91 Sanchez-O'Brien	6-24N-9W 1850/N; 1850/E	Basin Fruitland Coal; Completed 6/11/02.
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XTO Energy, Inc. #11E Kutz Federal	20-28N-10W 1200/N; 1400/W	Basin Dakota; Completed 5/22/02.
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Robert L. Bayless Prod. LLC #8 Floyd	17-30N-12W 1105/S; 1070/E	Basin Fruitland Coal; Completed 6/17/02.
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Conoco Inc. #1 Three States Com	16-29N-8W 1650/S; 990/W	Blanco Pictured Cliffs; Completed 3/19/02.
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Burlington Res. O&G Co. #3 Houck	12-29N-10W 1850/N; 2000/E	Blanco-Mesaverde; Completed 5/28/02.
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BP America Prod. Co. #15 Ludwick LS	19-30N-10W 990/N; 950/E	Blanco-Mesaverde; Completed 5/6/02.
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PLUGBACK:

RIO ARRIBA COUNTY

Rio Chama Pet., Inc. #1 Krystina	14-24N-2W 1820/S; 1650/W	Basin Fruitland Coal; Effective date 2/22/01.
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PLUGGED AND ABANDONED WELLS:

MCKINLEY COUNTY

Robert & Marjorie Wilkinson #60 Jaco	32-20N-9W 500/N; 610/W	Plugged and abandoned 6/10/02.
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R-J Enterprises #1 Nmalco Gurley	9-20N-12W 330/S; 330/E	Plugged and abandoned 3/28/02.
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R-J Enterprises #1 State Cookie	16-20N-12W 330/N; 990/E	Plugged and abandoned 3/28/02.
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RIO ARRIBA COUNTY

Conoco Inc. #36 Valencia Canyon Unit	14-28N-4W 1500/N; 1600/W	Plugged and abandoned 4/4/02.
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Burlington Res. O&G Co. #242 San Juan 28 5 Unit NP	12-28N-5W 1575/S; 215/W	Plugged and abandoned 11/5/01.
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NORTHWESTERN NEW MEXICO, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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PLUGGED AND ABANDONED WELLS, continued:**SANDOVAL COUNTY**

Billco Energy Inc. #1 Jicarilla A 55	35-23N-3W 1850/N; 790/W	Plugged and abandoned 6/6/02.
Questar Explor. & Prod. Co. #2 Federal C L	31-23N-7W 2310/S; 790/E	Plugged and abandoned 5/10/02.
Questar Explor. & Prod. Co. #4 Federal B	34-23N-7W 1850/S; 880/W	Plugged and abandoned 5/8/02.
Pitco Prod. Co. #1 State 36 22 6	36-22N-6W 810/S; 800/W	Plugged and abandoned 6/5/02.

SAN JUAN COUNTY

Calpine Natural Gas Co., LP #1 Hoover	21-30N-14W 860/N; 870/E	Plugged and abandoned 6/7/02.
Burlington Res. O&G Co. #2 Quinn Pow	19-31N-8W 1450/S; 900/E	Plugged and abandoned 6/19/02.
W M Gallaway #7 Ute Indian E	17-31N-14W 780/N; 2110/W	Plugged and abandoned 11/29/74.
W M Gallaway #5 Ute Indian A	15-31N-15W 420/N; 1980/W	Plugged and abandoned 4/13/01.
Dugan Prod. Corp. #2 Winifred	35-30N-14W 1850/N; 1500/E	Plugged and abandoned 3/6/02.
BP America Prod. Co. #236E Gallegos Canyon Unit	14-28N-13W 1010/S; 1190/W	Plugged and abandoned 6/26/02.

TEMPORARY ABANDONMENTS:**RIO ARRIBA COUNTY**

BP America Prod. Co. #1 Carracas Unit 19B	19-32N-4W 750/N; 400/E	Basin Fruitland Coal; Effective date 6/14/02.
BP America Prod. Co. #10 Carracas Unit 14 B	14-32N-4W 1810/S; 2310/E	Basin Fruitland Coal; Effective date 5/29/02.
Burlington Res. O&G Co. #3 San Juan 30 6 Unit Pow	16-30N-6W 1385/N; 980/W	Basin Fruitland Coal; Effective date 5/17/02.

SAN JUAN COUNTY

BP America Prod. Co. #25 Atlantic B LS	33-31N-10W 1535/N; 1090/E	Blanco Pictured Cliffs; Effective date 6/4/01.
BP America Prod. Co. #5E Day	18-29N-8W 790/N; 790/E	Basin Dakota; Effective date 6/5/02.
BP America Prod. Co. #1 Hutchins Gas Unit B	7-31N-10W 1400/N; 1720/E	Basin Fruitland Coal; Effective date 6/13/02.
BP America Prod. Co. #37R Florance H	6-30N-8W 1350/N; 1850/E	Blanco-Mesaverde; Effective date 5/29/02.
BP America Prod. Co. #297 Gallegos Canyon Unit	15-28N-12W 1080/N; 1720/E	Kutz, West-Pictured Cliffs; Effective date 2/21/02.
BP America Prod. Co. #1 Ludwick LS	29-30N-10W 1650/N; 915/W	Aztec Pictured Cliffs; Effective date 5/28/02.
BP America Prod. Co. #2 Fletcher	29-31N-8W 1170/S; 1850/E	Basin Dakota; Effective date 5/23/02.

NORTHEASTERN NEW MEXICO

SANTA FE DISTRICT

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

COLFAX COUNTY

El Paso Energy Raton LLC #64 VPR "A"	3-31N-19E 1827/N; 842/W	Stubblefield Canyon Raton-Vermejo Gas; Completed 5/24/02.
El Paso Energy Raton LLC #74 VPR "A"	6-31N-20E 1444/S; 1120/W	Stubblefield Canyon Raton-Vermejo Gas; Completed 5/15/02.
El Paso Energy Raton LLC #79 VPR "A"	11-31N-19E 1740/N; 961/E	Stubblefield Canyon Raton-Vermejo Gas; Completed 5/21/02.
El Paso Energy Raton LLC #81 VPR "A"	12-31N-19E 686/N; 1585/E	Stubblefield Canyon Raton-Vermejo Gas; Completed 5/11/02.

PLUGGED AND ABANDONED WELL:

COLFAX COUNTY

Pacific Western Land Co. #1 Rail Canyon	36-29N-20E 1236/N; 1073/E	Plugged and abandoned 3/27/02.
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SOUTHEASTERN NEW MEXICO

HOBBS AREA

NEW LOCATIONS:

CHAVES COUNTY

Yates Pet. Corp. #2! Margene AWM Federal	20-9S-26E 1980/S; 660/E	N. Foor Ranch.
Yates Pet. Corp. #6 Davis Com	1-7S-25E 660/S; 1980/W	Wildcat Basement.
Yates Pet. Corp. #1 Warner Bah State	28-8S-27E 660/S; 1980/E	S. Palma Mesa Penn.
C. W. Tranier #1 Williams	33-14S-31E 400/N; 2300/W	Paddock.
Nadel and Gussman Permian, LLC #1 Mia Michelle State	32-15S-30E 467/N; 1200/E	Devonian.
Yates Pet. Corp. #2 Mec Com	6-7S-23E 1850/S; 1140/W	Wildcat Basement.
Yates Pet. Corp. #2 Erma	1-10S-24E 660/N; 660/E	Wildcat Basement.
Yates Pet. Corp. #5 Johnson IL	30-6S-26E 660/S; 1850/E	WC Pre-Cambrian.
Yates Pet. Corp. #5 Dallas AUE State Com	34-9S-26E 660/S; 1980/W	Foor Ranch Pre-Permian.
Dominion OK Texas Expl. & Prod. Inc. #1 Stardust 2 State	2-15S-28E 660/S; 660/W	Und. Morrow.
Yates Pet. Corp. #3 Horn YG Federal	10-8S-26E 990/N; 1980/W	Foor Ranch Pre-Permian.
Yates Pet. Corp. #11Q Everette OO Federal	26-5S-24E 1980/S; 1980/W	Wildcat Pre-Cambrian.
Yates Pet. Corp. #4 Zane ABS Federal Com	15-9S-26E 660/S; 760/E	Foor Ranch.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS DISTRICT, continued:

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

EDDY COUNTY

Yates Pet. Corp. #5 Zingaro ANG Federal	1-22S-23E 710/S 2050/W	Indian Basin Upper Penn. Assoc.
Oxy USA WTP Limited Partnership #1 Oxy Freddie Federal	26-18S-30E 1650/N; 1980/W	N. Hackberry Morrow.
Mack Energy Corp. #10 Woolley Federal	21-17S-30E 990/S; 2260/W	Loco Hills Paddock.
Mewbourne Oil Co. #5 Fren 8 Federal Com	8-18S-31E 676/N; 1381/W	Und. Atoka.
Marbob Energy Corp. #1 Milky Way Fee	9-22S-27E 760/N; 990/E	S. Carlsbad Morrow.
Nadel and Gussman Permian, LLC #7 Carlsbad South 27 State Com	27-23S-26E 1310/S; 660/W	S. Carlsbad Morrow.
Pogo Producing Co. #6 Lost Tank 35 State	35-21S-31E 1780/S; 1750/E	Lost Tank Delaware.
EOG Resources Inc. #1 Gordan 23 State Com	23-19S-27E 997/S; 1445/W	Angell Ranch Atoka Morrow.
Murchison Oil & Gas Inc. #4 Ringer Federal Com	3-25S-26E 660/N; 1040/E	White City Penn.
Devon SFS Operating Inc. #4 Crow Flat 20 Federal Com	20-16S-28E 1330/S; 1330/E	Crow Flat Morrow.
Pogo Producing Co. #10 Lost Tank 3 Federal	3-22S-31E 330/N; 2210/E	W. Lost Tank Delaware.
Premier Oil & Gas Inc. #15 Dale H. Parke B Track C	15-17S-30E 990/N; 2310/E	Loco Hills Paddock.
V-F Petroleum Inc. #2 Garvin 22 State Com	22-18S-28E 1980/S; 660/W	N. Turkey Track Morrow.
Premier Oil & Gas Inc. #12 Dale H Parke B Track C	15-17S-30E 1650/N; 1650/E	Loco Hills Paddock.
Marbob Energy Corp. #2 Waltherthon Fee	21-22S-27E 855/N; 660/W	S. Carlsbad Morrow.
Devon SFS Operating Inc. #2 Strawberry 7 Federal Com	7-19S-31E 1300/N; 1750/E	N. Hackberry Morrow.
Marbob Energy Corp. #29 Lee Federal	17-17S-31E 890/S; 990/E	Cedar Lake Yeso.
Concho Oil & Gas Corp. #2 Crow Flats 11 State Com	11-16-28E 660/S; 1980/E	Diamond Mound Morrow.
Mack Energy Corp. #6 Navajo Federal	30-17S-29E 2445/S; 1650/E	Empire Yeso.
Devon SFS Operating Inc. #4 Crow Flat 29 Federal Com	29-16S-28E 1300/S; 1900/E	Crow Flat Morrow.
Concho Oil & Gas Corp. #1 Clyde	22-23S-26E 660/S; 990/E	S. Carlsbad Morrow.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS DISTRICT, continued:

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

LEA COUNTY

EOG Res. Inc. #8 Vaca 13 Federal	13-25S-33E 2310/S; 2310/E	Bone Spring.
Matador Operating Co. #3 Cooper 4	4-20S-37E 2310/N; 600/E	Drinkard.
Mack Energy Corp. #4 GC Federal	19-17S-32E 1775/S; 2310/W	Paddock.
Pogo Prod. Co. #42 Covington A Federal	26-22S-32E 1980/S; 1980/E	Bone Spring.
Apache Corp. #16 Hawk A	4-21S-37E 330/S; 760/W	Grayburg.
Apache Corp. #20 Hawk B 1	9-21S-37E 1980/S; 550/W	Grayburg.
Apache Corp. #21 Hawk B 1	8-21S-37E 1980/S; 865/E	Grayburg.
Chevron USA Inc. #2 George P. Livermore Cowden	30-23S-37E 660/S; 1980/E	Seven Rivers-Queen-Grayburg; Converted to Monitor W.
Chevron USA Inc. #303 Central Vacuum Unit	6-18S-35E 120/N; 330/W	Ogallala Water Supply Well.
Harvard Pet. Corp. #2 State IG	32-23S-32E 1659/N; 2307/E	Delaware.
Armstrong Energy Corp. #8 Mobil Lea State	2-20S-34E 330/S; 1650/W	Delaware.
Trilogy Operating Inc. #1 Diamond	24-19S-38E 1650/N; 1650/W	Abo.
Apache Corp. #17 Hawk A	8-21S-37E 990/N; 1830/W	Grayburg.
Apache Corp. #18 Hawk A	8-21S-37E 990/N; 660/W	Grayburg.
Chevron USA Inc. #2 New Mexico EA State	24-18S-37E 330/N; 1733/E	Abo.
BEC Corp. #1 J W Grizzell A	5-22S-37E 1034/S; 2635/W	Grayburg.
TMBR/Sharp Drilling Inc. #1 Leavelle 23	23-16S-35E 2038/N; 1998/E	Morrow.
Concho Oil & Gas Corp. #5 Sun Pearl Federal	28-19S-34E 990/N; 990/E	Queen.
Pogo Producing Co. #20I Covington A Federal	26-22S-32E 1650/S; 330/E	Bone Spring.
Yates Pet. Corp. #1 Mamalotes Bam	36-14S-34E 825/S; 1275/E	Mississippian.

RE-ENTRIES:

EDDY COUNTY

SWR Operating Co. #2 Welch A	4-19S-31E 1650/N; 2310/E	Pool N/A.
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SOUTHEASTERN NEW MEXICO, continued:

HOBBS DISTRICT, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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RE-ENTRIES, continued:

LEA COUNTY

Yates Pet. Corp. #1 Dwight AZI State Com	15-9S-32E 660/S; 660/E	Atoka.
Yates Pet. Corp. #2 Dwight AZI State Com	15-9S-32E 1980/S; 1980/E	Atoka.
Seely Oil Co. #1 Armer State	20-18S-34E 330/S; 2260/E	Delaware.

COMPLETIONS:

EDDY COUNTY

Devon Energy Prod. Co. LP #29 Todd 23A Federal	23-23S-31E 710/N; 660/E	Ingle Wells Pool; Spd. 8/21/01; Compl. 10/10/01; Elev. 3486 GL; TD 8455; PBTB 8396; Top Pay (Delaware) 7030; perfs 7030-39, 7628-38, 8202-8220; Treat 4000 gals. 7.5% NEFE, 67,600 gals. gel, 24,450# 16/30 sd.; IP 10/18/01: Pump, 24 hrs., 124 BO, 160 BW, 90 MCF, GOR 726/1, Gty. 42.2; Csg. 13-3/8 @ 851 w/750; 8-5/8 @ 4415 w/1200; 5 @ 8455 w/1250; 2-7/8 @ 6993; Tops: Dela. 4418, Ramsey sd. 4478, Cherry Canyon 5356, Brushy Canyon 6980, BS 8298.
Devon SFS Oper. Inc. #2 Shugart 25 Federal Com	25-18S-31E 1250/N; 600/W	Shugart Pool; Spd. 7/6/01; Compl. 12/20/01; Elev. 3678 GR; TD 12178; PBTB 12090; Top Pay (Morrow) 11,670; perfs 11,670-12,042; Treat acidize w-19500 gals. 7.5% Hcl. + 30% methanol, frac w-43000 gals. foam + 50,000# 20/40 sd.; IP 2/9/02: Pump, 24 hrs., 2 BO, 71 BW, 254 MCF; Csg. 13-3/8 @ 791 w/775; 8-5/8 @ 4289 w/1750; 5 @ 12,175 w/1750; 2-3/8 @ 11,659; Tops: Rustler 790, Yates 2730, Bowers 3272, Qu. 3512, SA 4390, Dela. 4786, BS 6450, 1 st S 7890, 2 nd BS 8196, 3 rd BS 9118, WC 9904, Strawn 10856, Atoka 11070, Morrow 11434.
Yates Pet. Corp. #11 Patriot "AIZ"	21-19S-25E 660/N; 1980/W	North Dagger Draw Pool; Spd. 1/21/00; Compl. 3/29/00; Elev. 3489 GR; TD 8670; PBTB 8305; Top Pay (U-Penn.) 8455; perfs 8455-7810; Treat 15,000 gals. gel 15% Hcl.; IP 9/12/00: Flow, 24 hrs., 429 BO, 221 BW, 1460 MCF, 380 TP, 180 CP; Csg. 9-5/8 @ 1162 w/1100; 7 @ 8310 w/1250; 3 @ 7700; Tops: SA 731, Glo. 2288, BS 3744, WC 5848, Canyon 7720.
Yates Pet. Corp. #1 Avenger "AVG" State	32-20S-24E 1980/S; 1980/W	(Re-entry of Mark Prod. Co., #1 State C, P&A, Old TD 9225); S. Dagger Draw Pool; Re-entered 4/20/00; Compl. 6/13/00; Elev. 3863 GR; TD 9105; PBTB 8765; Top Pay (U-Penn.) 7429; perfs 7429-7626; Treat 5000 gals. 15% Hcl; IP Flow, 24 hrs., 0 BO, 0 BW, 166 MCF, Ch., TP 100, CP Pkr.; Csg. 12 @ 385 w/380; 8-5/8 @ 1240 w/400; 5 @ 9103 w/1270; 2-7/8 @ 7383; Tops: N/A.
Fasken Oil & Ranch Ltd. #2 Cameron 31 Federal	31-20S-25E 2449/N; 408/E	Cemetery Pool; Spd. 1/12/02; Compl. 3/9/02; TD 9804; PBTB 9736; Top Pay (Morrow) 9602; perfs 9602-26; IP 3/17/02: Flow, 24 hrs., 0 BO, 6 BW, 183 MCF, Ch., TP 100; Csg. 13-3/8 @ 358 w/500; 9-5/8 @ 3014 w/800; 4 @ 9804 w/900.
OXY USA WTP LP #2 Oxy Skinny Saloon State	11-17S-27E 990/S; 990/W	Logan Draw Pool; Spd. 4/28/01; P&A 6/22/01; Elev. 3414 GL; TD 9492; Csg. 13-3/8 @ 401 w/600; 8-5/8 @ 1503 w/500; Tops: WC 6110, Penn. 7394, Strawn 8610, Atoka 8918, Morrow 9029.
Premier Oil & Gas Inc. #10 Dale H Parke D	15-17S-30E 2480/S; 330/E	Loco Hills Pool; Spd. 4/13/02; Compl. 5/2/02; Elev. 3695 GR; TD 5003; PBTB 4983; Top Pay (Paddock) 4522; perfs 4522-4842; Treat acidize w-2000 gals. 15% Hcl.; IP 5/6/02: Pump, 24 hrs., 35 BO, 247 BW, 167 MCF; Csg. 13-3/8 @ 408 w/450; 8-5/8 @ 1237 w/600; 5 @ 5002 w/900; 2-7/8 @ 4433; Tops: Yates 1314, Qu. 2209, SA 2924, Glo. 4386.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS DISTRICT, continued:

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

EDDY COUNTY, continued:

Stephens & Johnson Oper. Co. #10 East Millman Pool Unit Tr. 4	12-19S-28E 50/S; 1462/E	East Millman Pool; Spd. 8/17/01; Compl. 9/1/01; Elev. 332 GR; TD 2700; PBTB 2681; Top Pay (Qu-GB-SA) 2349; perfs 2349-2511; Treat 3000 gals. 15% Hcl. 110,000# 12/20 sd., 36,000 gals. Delta Frac 20; IP 9/4/01: Pump, 24 hrs., 31 BO, 269 BW, 25 MCF, GOR 800, Gty. 40; Csg. 8-5/8 @ 415 w/470; 5 @ 2699 w/700; Tops: Qu. 1696, GB 2040, SA 2545.
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LEA COUNTY

Texaco Explor. & Prod. Inc. #10 F B Davis	8-23S-37E 330/N; 2310/W	North Teague Pool; Spd. 4/20/01; Compl. 7/3/01; Compl. 7/3/01; Elev. 3329 GL; TD 7150; PBTB 6481; Top Pay (Tubb) 6308; perfs 6308-6430; Treat acidize w-4000 gals. 15% Hcl., frac w-142,940# 20/40 sd.; IP 7/14/01: Pump, 24 hrs., 86 BO, 242 BW, 213 MCF; Csg. 8-5/8 @ 1200 w/670; 5 @ 7150 w/1380; 2-7/8 @ 6400; Tops: Yates 2937, GB 3705, SA 3894, Glo. 5106, Pad. 5304, Bli. 5656, Tubb 6195, Drk. 6458, Abo 6680.
Texaco Explor. & Prod. Inc. #27 C C Fristoe "B" Federal NCT-2	26-24S-37E 2310/S; 990/E	Fowler Pool; Spd. 10/1/01; Compl. 12/19/01; Elev. 3166 GL; TD 9930; Top Pay (Ellenburger) 9610; perfs 9610-9754; Treat 2004.5 gals. 20% Hcl.; IP 1/15/02: Pump, 24 hrs., 155 BO, 31 BW, 221 MCF; Csg. 11 @ 1215 w/720; 8-5/8 @ 4700 w/1920; 5 @ 9930 w/1845; 2-7/8 @ 9762; Tops: Yates 2718, SR 2813, Qu. 3252, Penrose 3394, B 3513, SA 3691, Glo. 4810, Pad. 5034, Bli. 5128, Tubb 5798, Drk. 6002, Abo 6263, Simpson 8662, McKee 9016, Joins 9498, Ellenburger 9586.
BTA Oil Producers #1 Merchant 8700 JV-P	24-21S-34E 660/N; 660/W	Wilson Pool; Spd. 12/15/00; Compl. 8/3/01; Elev. 3662 GL TD 12748; PBTB 12458; Top Pay (Morrow) 12373; perfs 12373-12389; Treat acidize w-1000 gals. 15% Hcl., frac w-20,000 gals. SLF + 29500# sd.; IP 9/3/01: Flow, 24 hrs., 40 BO, 3 BW, 2916 MCF, 12/64" Ch., TP 3725, GOR 72900, Gty. 42; Csg. 13-3/8 @ 1260 w/900; 9-5/8 @ 5325; w/1600; 7 @ 11,200 w/1165; 5 @ 10915-12748 w/180; 2-7/8 @ 12323; Tops: Anhy 1596, Yates 3589, Dela. 5546, BS 7994, WC 120,957, Strawn, 11,311, Atoka 11,570, Morrow 12,082.
Murchison Oil & Gas Inc. #2 Brininstool "4" State	4-24S-33E 660/S; 1890/W	Johnson Ranch Pool; Spd. 9/16/02; Compl. 10/21/01; Elev. 3612 GL; TD 13,850; Top Pay (Wolfcamp) 13,217; perfs 13,217-13,708; perfs 13,217-13,708; Treat None; IP 1/17/01: Flow, 24 hrs., 420 BO, 180 BW, 2520 MCF, TP 400, Gty. 56; Csg. 13-3/8 @ 807 w/625; 9-5/8 @ 5159 w/1500; 7 @ 12,600 w/1485; 4-1/2 @ 12271-13850 w/240; Tops: Dela 5144, BS 9098, WC 12306.
Mack Energy Corp. #1 GC Federal	19-17S-32E 2225/S; 2406/E	Maljamar Pool; Spd. 1/28/02; Compl. 4/12/02; Elev. 3934 GL; TD 7085; PBTB 6015; Top Pay (Paddock) 5982; perfs 5982-5998; Treat 1000 gals. 15%, 60000 gals. 35# gel, 1200 sx 16/30 sd.; IP 4/25/02: Pump, 24 hrs., 60 BO, 38 BW, 49 MCF, GOR 817, Gty. 36; Csg. 13-3/8 @ 654 w/525; 8-5/8 @ 2121 w/900; 5 @ 7053 w/1550; 2-7/8 @ 6005; Tops: Yates 1964, SR 2334, Qu. 2940, SA 3632, Glo. 5196.
Pogo Prod. Co. #20 Covington A Fed	26-22S-32E 1650/S; 330/E	West Red Tank Pool; Spd. 5/9/02; Compl. 6/20/02; Elev. 3751 GR; TD 8937; PBTB 8872; Top Pay (Delaware) 8498; perfs 8498-8518; IP 6/22/02: Pump, 24 hrs., 171 BO, 153 BW, 173 MCF; Csg. 10-3/4 @ 854 w/670; 7-5/8 @ 4677 w/2175; 4 @ 8937 w/1125.
St. Mary Land & Explor. Co. #14 Inca Federal	17-18S-32E 990/N; 330/W	Young Pool; Spd. 10/3/01; Compl. 11/29/01; Elev. 3753 GL; TD 3977; PBTB 3922; Top Pay (Queen) 3725; perfs 325-3732; Treat frac w-36,580 gals. XL gel & 65,000# 20/40 sd.; IP 12/15/01: Pump, 24 hrs., 37 BO, 25 BW, 15 MCF, GOR 405; Csg. 8-5/8 @ 1064 w/500; 5 @ 3977 w/950; 2-3/8 @ 3765; Tops: Qu. 3699.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS DISTRICT, continued:

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

LEA COUNTY, continued:

Ray Westall Oper. #1 TP State	16-18S-34E 660/N; 660/E	(Re-entry of Perry R. Bass, PA., Old TD 10320); West Vacuum Pool; Re-entered 4/18/01; Compl. 7/3/00; Elev. 4031.6 GL; TD 9730; PBTD 9690; Top Pay (Bone Spring) 9221; perfs 9221-9660; Treat 450 gals. 15% Hcl.; IP 7/5/01: Flow, 24 hrs., 30 BO, 300 BW, 50 MCF, 1" Ch., TP 25, GOR 1666.6, Gty. 36; Csg. 13-3/8 @ 461 w/600; 9-5/8 @ 4955 w/1800; 5 @ 9730 w/1135; 2-7/8 @ 9170; Tops: N/A.
Devon SFS Oper. Inc. #5 Outland State Unit	11-21S-34E 1980/N; 1650/E	Wilson Pool; Spd. 9/11/01; Compl. 1/15/02; Elev. 3699 GL; TD 13600; PBTD 13,165; Top Pay (Morrow) 13,006; perfs 13,006-13,152; IP 1/23/02: Flow, 24 hrs., 0 BO, 18 BW, 251 MCF, 8 Ch., TP 1500; Csg. 13-3/8 @ 1438 w/1200; 9-5/8 @ 5834 w/1850; 7 @ 12352 w/1325; 4" Lnr. 12,014-13,600 w/245; 2-3/8 @ 13,152.

PLUGGED AND ABANDONED WELLS:

CHAVES COUNTY

Strata Prod. Co. #1 O'Brien	25-7S-29E 600/N; 1900/W	Plugged and abandoned 5/6/02.
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EDDY COUNTY

Anadarko Pet. Corp. #2 Ballard Grayburg SA Unit	5-18S-29E 660/N; 660/W	Plugged and abandoned 5/3/02.
Aghorn Operating Inc. #10 Northeast Square Lake Premier Unit	10-16S-31E 660/N; 1980/W	Plugged and abandoned 6/18/02.
Maralo LLC #2 Hanson Federal	28-20S-27E 660/S; 1650E	Plugged and abandoned 6/4/02.
Hudson Oil Co. of Texas #1 Puckett A W H	24-17S-31E 2630/S; 10/W	Plugged and abandoned 6/26/02.
Anadarko Pet. Corp. #4 Ballard Grayburg SA Unit	9-18S-29E 99/N; 330/W	Plugged and abandoned 5/9/02.
Marathon Oil Co. #2 Yates Federal	18-20S-29E 1980/N; 660/W	Plugged and abandoned 5/14/02.
Mack Energy Corp. #1 Blue Streak Federal	29-17S-29E 1980/S; 660/E	Plugged and abandoned 5/13/02.
BC Development, LP #1 Hay Hollow 25 State	25-25S-27E 1980/N; 2310/E	Plugged and abandoned 4/3/02.
Mack Energy Corp. #2 Blue Streak Federal	29-17S-29E 2310/S; 990/E	Plugged and abandoned 5/14/02.
Marathon Oil Co. #3 Yates Federal	17-20S-29E 1980/N; 660/W	Plugged and abandoned 4/17/02.
Bass Enterprises Prod. Co. #1 Hopeful Federal	30-21S-29E 1980/S; 660/W	Plugged and abandoned 3/22/02.
Yates Pet. Corp. #4 Irish Hills Yeso JE State	12-19S-24E 2310/N; 990/W	Plugged and abandoned 4/16/02.
Marathon Oil Co. #5 Yates Federal	17-20S-29E 990/S; 1980/W	Plugged and abandoned 4/17/02.
Nearburg Producing Co. #1 Anderson Com	10-20S-25E 660/N; 1980/E	Plugged and abandoned 2/23/02.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS DISTRICT, continued:

<u>Operator & Well No.</u>	<u>Location</u>	<u>Remarks</u>
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PLUGGED AND ABANDONED WELLS, continued:

EDDY COUNTY, continued:

Marathon Oil Co. #17 Yates Federal	17-20S-29E 2310/S; 660/W	Plugged and abandoned 4/17/02.
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LEA COUNTY

Phillips Pet. Co. #7 Vacuum Abo Unit	5-18S-35E 2080/N; 1980/E	Plugged and abandoned 3/6/02.
Marathon Oil Co. #1 L G Warlick	18-21S-37E 660/S; 1980/E	Plugged and abandoned 5/23/02.
Marathon Oil Co. #3 Warn State AC 1	31-17S-35E 2080/N; 1908/W	Plugged and abandoned 5/14/02.
TMBR/Sharp Drilling Inc. #1 Stokes	23-16S-35E 660/S; 1980/E	Plugged and abandoned 7/18/00.
Marks and Garner Prod. Ltd. Co. #1 Humble X SWD	6-15S-35E 510/N; 1830/W	Plugged and abandoned 8/15/01.
Energen Res. Corp. #1 Shipp State 17	17-17S-37E 330/S; 330/E	Plugged and abandoned 1/9/02.
TMBR/Sharp Drilling Inc. #1 TMBR 11 State	11-17S-35E 660/S; 660/W	Plugged and abandoned 3/28/02.
Marathon Oil Co. #6 Hansen State	16-20S-37E 1980/N; 1650/E	Plugged and abandoned 5/23/02.
Conoco Inc. #121 SEMU Burger B	18-20S-38E 660/S; 2310/W	Plugged and abandoned 6/5/02.
OXY USA WTP Limited Partnership #180 Myers Langlie Mattix unit	5-24S-37E 330/S; 330/E	Plugged and abandoned 11/21/00.
Primal Energy Corp. #2 Ramsey State	36-24S-37E 1980/S; 1980/W	Plugged and abandoned 1/11/02.
Primal Energy Corp. #5 Ramsey State	36-24S-37E 660/S; 1980/W	Plugged and abandoned 1/22/02.
Texaco Explor. & Prod. Inc. #1 Vacuum Grayburg San Andres Unit	11-18S-34E 330/N; 330/E	Plugged and abandoned 5/15/95.
EOG Res. Inc. #1 Llano 34 State	34-21S-34E 1650/S; 660/E	Plugged and abandoned 1/16/02.
Kaiser-Francis Oil Co. #1 TCH Ranch 6	6-16S-34E 660/S; 660/E	Plugged and abandoned 5/31/01.
Texaco Explor. & Prod. Inc. #16 New Mexico R State NCT 1	6-18S-35E 1410/N; 2630/E	Plugged and abandoned 1/7/02.
Texaco Explor. & Prod. Inc. #17 New Mexico R State NCT 1	6-18S-35E 2530/N; 2530/E	Plugged and abandoned 12/27/01.
Texaco Explor. & Prod. Inc. #2 Green Star 14 State	14-16S-32E 2308/S; 1980/W	Plugged and abandoned 2/19/02.
Marbob Energy Corp. #1 Huff State	22-17S-35E 710/N; 1980/E	Plugged and abandoned 10/28/02.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS DISTRICT, continued:

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

LEA COUNTY

MGM Oil & Gas Co. #8 Kemnitz Wolfcamp Unit	19-16S-34E 660/S; 660/E	SWD; Wolfcamp; Zone abandoned 6/14/02.
MGM Oil & Gas Co. #7 Kemnitz Wolfcamp Unit	19-16S-34E 660/S; 1980/E	Kemnitz-Lower Wolfcamp; Zone abandoned 6/14/02.
Mack Energy Corp. #1 Bridges State	3-17S-34E 660/S; 1980/W	Vacuum-Grayburg-San Andres; Zone abandoned 6/10/02.
Chevron USA Inc. #113 Eunice Monument South Unit	30-20S-37E 1980/N; 660/E	Eunice Monument-Grayburg-San Andres; Zone abandoned 6/13/02.
Chevron USA Inc. #114 Eunice Monument South Unit	30-20S-37E 1980/S; 660/E	Eunice Monument-Grayburg-San Andres; Zone abandoned 5/29/02.
The Wiser Oil Co. #88 Caprock Maljamar Unit	28-17S-33E 330/N; 330/W	Maljamar Grayburg-San Andres; Zone abandoned 6/6/02.
Chevron USA Inc. #157 Eunice Monument South Unit	32-20S-37E 1650/S; 330/E	Eunice Monument-Grayburg-San Andres; Zone abandoned 6/25/02.
Acoma Oil Corp. #1 S J Sarkeys B	26-21S-37E 660/N; 1980/E	Tubb Oil and Gas; Zone abandoned 11/1/99.
Apache Corp. #3 Hawk B 10	10-21S-37E 1980/N; 1980/E	Wantz-Abo; Zone abandoned 11/19/01.
Apache Corp. #3 Livingston	3-21S-37E 560/S; 2030/E	Wantz-Abo; Zone abandoned 9/25/00.
Apache Corp. #3 Lockhart B 11	11-21S-37E 1980/N; 330/W	Blinebry Oil and Gas; Zone abandoned 6/13/01.
Apache Corp. #3 Lockhart B 11	11-21S-37E 1980/N; 330/W	Wantz-Abo; Zone abandoned 6/13/01.
Apache Corp. #6 Argo A	22-21S-37E 440/N; 2200/W	Hare-Simpson; Zone abandoned 8/23/01.
Apache Corp. #7 Argo A	22-21S-37E 1880/N; 760/W	Wantz-Abo; Zone abandoned 6/6/01.
Oxy USA WTP Limited Partnership #4 State N	2-22S-36E 990/S; 990/W	Arrowhead-Grayburg; Zone abandoned 1/1/01.
Apache Corp. #7 Argo	15-21S-37E 2310/S; 990/W	Drinkard; Zone abandoned 6/21/01.
Oxy USA WTP Limited Partnership #1 Brunson B	4-22S-37E 1980/S; 810/E	Wantz-Abo; Zone abandoned 1/1/01.
Primal Energy Corp. #3 Hale State	2-25S-37E 1650/N; 330/E	Justis-Blinebry; Zone abandoned 1/17/02.
Primal Energy Corp. #3 Hale State	2-25S-37E N/A	Justis, North-Fusselman; Zone abandoned 1/17/02.
Primal Energy Corp. #3 Hale State	2-25S-37E N/A	Justis, North-McKee; Zone abandoned 1/17/02.
Rice Operating Co. #15 Hobbs SWD	15-19S-38E 1650/N; 840/W	SWD; San Andres; Zone abandoned 2/6/02.

SOUTHEASTERN NEW MEXICO, continued:

HOBBS DISTRICT, continued:

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

CHAVES COUNTY

Yates Pet. Corp. #1 Salt Creek ACL Federal	1-8S-21E 1980/N; 1980/E	Border Hill-Abo; Effective date 6/7/02.
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LEA COUNTY

John H. Hendrix Corp. #1 Pasty	18-20S-37E 660/N; 1980/E	Eunice Monument-Grayburg-San Andres; Effective date 4/8/02.
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Chevron USA Inc. #399 Eunice Monument South Unit	15-21S-36E 1980/S; 1980/W	Eunice Monument-Grayburg-San Andres; Effective date 6/6/02.
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Kenson Operating Co., Inc. #68 Langlie Jal Unit	6-25S-37E 660/S; 1980/E	Langlie Mattix Seven Rivers-Queen Grayburg; Effective 6/11/02
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Kenson Operating Co., Inc. #71 Langlie Jal Unit	8-25S-37E 660/N; 510/W	Langlie Mattix Seven Rivers-Queen Grayburg; Effective 6/19/02
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Kenson Operating Co., Inc. #96 Langlie Jal Unit	32-24S-37E 140/S; 2600/W	Langlie Mattix Seven Rivers-Queen Grayburg; Effective 6/18/02
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Kenson Operating Co., Inc. #104 Langlie Jal Unit	32-24S-37E 140/S; 247/W	Langlie Mattix Seven Rivers-Queen Grayburg; Effective 6/10/02
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Chevron USA Inc. #435 Eunice Monument South Unit	22-21S-36E 660/N; 2130/W	Eunice Monument-Grayburg-San Andres; Effective 6/6/02.
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Saga Pet. Limited Liab. Co. #4 Monument	12-19S-36E 2130/N; 1880/E	Eunice Monument-Grayburg-San Andres; Effective 6/18/02.
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Paladin Energy Corp. #1 State BT A	2-12S-33E 1980/S; 1980/E	Bagley-Siluro Devonian; Effective date 6/10/02.
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Occidental Permian Ltd. #23 South Mattix Unit Federal	15-24S-37E 660/S; 1830/E	Fowler-Upper Yeso; Effective date 10/8/01.
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Occidental Permian Ltd. #342 North Hobbs G-SA Unit	18-18S-38E 330/S; 2310/E	Hobbs-Grayburg-San Andres; Effective date 9/4/97.
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ROOSEVELT COUNTY

Saga Pet. Limited Liability Co. #5 Todd Lower San Andres Unit	36-7S-35E 1980/N; 660/W	Todd Lower San Andres; Effective date 6/18/02.
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Saga Pet. Limited Liability Co. #10 Todd Lower San Andres Unit	31-7S-36E 2180/S; 1980/E	Todd Lower San Andres; Effective date 6/24/02.
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