

DOCKET: EXAMINER HEARING - THURSDAY - APRIL 1, 2004

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

Docket Nos. 11-04 and 12-04 are tentatively set for April 1, 2004 and April 15, 2004. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 13240: Application of Edge Petroleum Exploration Company for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from 10,907 feet subsurface to the base of the Morrow formation underlying the N/2 of Section 28, Township 16 South, Range 34 East, 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 South Kemnitz Atoka-Morrow Gas Pool. The unit is to be dedicated to the proposed Kemnitz "28" State Well No. 1, to be drilled at an orthodox gas well location in the SE/4 NE/4 (Unit H) of Section 28. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 10½ miles east-northeast of Maljamar, New Mexico.

CASE 13241: Application of Devon Energy Production Company, L.P. for a Temporary Exception to Division Rule 104.C.(2)(c), Lea County, New Mexico. Applicant seeks an order granting an exception to Division Rule 104.C.(2)(c) to allow two operators in the Morrow formation in Lots 1-8 of Section 1, Township 21 South, Range 34 East, to form a non-standard 310.08-acre gas spacing and proration unit in the West Osudo-Morrow Gas Pool. The unit will be simultaneously dedicated to the existing State R Well No. 1, operated by ConocoPhillips Company, located in Lot 6 of Section 1, and the proposed State R Well No. 4, to be operated by applicant, located in Lot 2 of Section 1. The exception will allow applicant to operate the State R Well No. 4, and to produce and sell hydrocarbons, until costs plus a penalty have been recovered under the applicable operating agreement. The unit is located approximately 9½ miles west-northwest of Oil Center, New Mexico.

CASE 13242: Application of Mewbourne Oil Company for pool expansion and special pool rules for the Querecho Plains-Strawn Pool, Lea County, New Mexico. Applicant seeks an order expanding the horizontal boundaries of the Querecho Plains-Strawn Pool, which currently cover the SW/4 of Section 15 and W/2 of Section 22, Township 18 South, Range 32 East, to include the SE/4 of Section 22 in said township and range, and instituting special pool rules therefor, including provisions for 80-acre spacing, a special depth bracket allowable of 720 barrels of oil per day, special well location requirements, and a gas:oil ratio of 4000 cubic feet of gas for each barrel of oil produced. The pool is centered approximately 8½ miles south of Maljamar, New Mexico.

CASE 13243: Application of Mewbourne Oil Company for Pool Expansion and Special Pool Rules for the Young-Strawn Pool, Lea County, New Mexico. Applicant seeks an order expanding the horizontal boundaries of the Young-Strawn Pool, which currently cover the NE/4 of Section 20, Township 18 South, Range 32 East, to include the E/2 of Section 17 in said township and range, and instituting special pool rules therefor, including provisions for 80-acre spacing, a special depth bracket allowable of 720 barrels of oil per day, special well location requirements, and a gas:oil ratio of 4000 cubic feet of gas for each barrel of oil produced. The pool is centered approximately 8 miles south-southwest of Maljamar, New Mexico.

CASE 13234: Continued from March 18, 2004, Examiner Hearing.

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 20, Township 22 South, Range 28 East, and in the following manner: the S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated West Indian Flats-Strawn Gas Pool, Undesignated Dublin Ranch-Atoka Gas Pool, and Undesignated Dublin Ranch-Morrow 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; and the SE/4 SE/4 to form a standard oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Herradura Bend-Cherry Canyon Pool, Undesignated Herradura Bend-Delaware Pool, and Undesignated Indian Draw-Delaware Pool. The units are to be dedicated to applicant's Dinero "20" Fed. Well No. 1, to be drilled at an orthodox well location in the SE/4 SE/4 of Section 20. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 4 miles northeast of Otis, New Mexico.