

DOCKET: EXAMINER HEARING - THURSDAY - MAY 27, 2004

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

Santa Fe, New Mexico

Docket Nos. 16-04 and 17-04 are tentatively set for June 10, 2004 and June 24, 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 13265: *Continued from May 13, 2004, Examiner Hearing.*

Application of Chesapeake Operating, Inc. for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the E/2 SE/4 of Section 5, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any production from these formations, including but not limited to the Shipp-Strawn Pool. This unit is to be dedicated to its Roueche "5" Well No. 1 which is being drilled at an unorthodox well location in Unit P (approved by Administrative Order NSL-5012, dated March 10, 2004). Also to be considered will be the costs of drilling and completing well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a risk charge of 200% for the risk involved in this well. This unit is located approximately 9-1/2 miles Northwest of Hobbs, New Mexico.

CASE 13267: *Continued from May 13, 2004, Examiner Hearing.*

Application of Chesapeake Operating, Inc. for an Unorthodox Gas Well Location and to Terminate Order R-11432-A, Lea County, New Mexico. Applicant seeks the approval of an unorthodox location for the Boyce "15" Well No. 5 in Unit B of Section 15, Township 16 South, Range 35 East, for gas production from the North Shoe Bar-Atoka Gas Pool. This well was originally drilled at a standard location 330 feet from the North line and 1650 feet from the East Line of this section for production from the Northwest Shoe Bar-Strawn Pool but is now at an unorthodox well location for any production of gas from the North Shoe Bar-Atoka Gas Pool. In addition, applicant seeks to terminate Order R-11432-A. This location is located approximately 5 miles west of Lovington, New Mexico.

CASE 13270: *Application of Yates Petroleum Corporation for an Order Rescinding Approval of a Change of Operator, Eddy County, New Mexico.* Applicant seeks rescission of the approval of a change of operator for C. W. Trainer for the Vandiver Com State Well No. 1 (API No. 30-015-20783) located 990 feet from the South line and 660 feet from the West line (Unit M) of Section 18, Township 18 South, Range 26 East. This well is located approximately 6 miles South of Artesia, New Mexico.

CASE 13271: *Application of Tom Brown, Inc. for Compulsory Pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 15, Township 22 South, Range 27 East, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the East Carlsbad-Wolfcamp Gas Pool, Undesignated Carlsbad-Strawn Gas Pool, and Undesignated South Carlsbad-Morrow Gas Pool; the NW/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 SW/4 NW/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 the Esperanza-Delaware Pool. The units are to be dedicated to applicant's Forni Well No. 3, to be drilled at an orthodox well location in the SW/4 NW/4 of Section 15. 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 units are located approximately 3 miles north-northwest of Otis, New Mexico.

CASE 13272: *Application of Devon Energy Production Company, L.P. for an Exception to Division Order No. R-111-P, Eddy County, New Mexico.* Applicant seeks an order holding that it need not cement the production strings to the surface on wells drilled on a federal oil and gas lease covering all of Section 1, Township 24 South, Range 30 East. The affected area is centered approximately 11 miles east of Harroun, New Mexico.