

formation in Lots 3 and 4, E/2 SW/4 and SE/4 (S/2 equivalent) of Section 31, Township 15 South, Range 35 East, to form a 322.3-acre spacing unit for all formations developed on 320-acre spacing that includes but is not necessarily limited to the Undesignated Southwest Austin-Mississippian Gas Pool and the Undesignated Southwest Austin-Morrow Gas Pool. Applicant proposes to dedicate the pooled units to its Watson "31" Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1980 feet from the East line of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 5 miles northwest of Lovington, New Mexico.

CASE 13074: Application of NM&O Operating Company for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in the Undesignated Blanco-Mesaverde Gas Pool underlying the S/2 of Section 35, Township 25 North, Range 2 West. The unit is to be dedicated to the Hawk Federal Well No. 3, to be recompleted in the subject pool at an orthodox location in the NE/4 SW/4 of Section 35. Also to be considered will be the cost of recompleting 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 charge for the risk involved in recompleting the well. The well unit is located approximately 4 miles North of Lindrieth, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 13064: Continued from May 8, 2003, Examiner Hearing.

Application of Paladin Energy Corp. to Abolish Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool, Lea County, New Mexico. Applicant seeks to abolish the Special Pool Rules and Regulations for the Bagley Siluro-Devonian Pool located in portions of Sections 33 through 36 of Township 11 South, Range 33 East, and Sections 1 through 4, and 10 through 12 of Township 12 South, Range 33 East. Said pool is located approximately 17 miles west of Tatum, New Mexico.

CASE 13040: Continued from April 24, 2003, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for Approval of a Waterflood Project for its East Hobbs-Blinebry Pool Cooperative Waterflood Area and Qualification of said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its East Hobbs-Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry formation, East Hobbs- Blinebry Pool through one injection well located in the following described area:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM
Irregular Section 29: Lots 1, 2, 3 and 4 (E/2 equivalent), SW/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located on the New Mexico-Texas State line approximately 2 miles east of Hobbs, New Mexico.

CASE 13075: Application of Ricks Exploration Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NW/4 SW/4 of Section 23, Township 12 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent,