

**DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 22, 2004**

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

Docket Nos. 4-04 and 5-04 are tentatively set for February 5, 2004 and February 19, 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 13063: Reopened**

**Application of Trilogy Operating, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation in the SE/4 NE/4 of Section 24, Township 19 South, Range 38 East, including but not necessarily limited to the South Nadine-Seven Rivers-Yates, the Nadine-Blinebry, the Nadine-Tubb, and the Nadine-Drinkard-Abo Pools. Applicant proposes to dedicate this pooled unit to its proposed Sapphire Well No. 3, to be drilled at a standard oil well location in the SE/4 NE/4 of said Section 24. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles south of the city limits of Hobbs, New Mexico.

**CASE 13199: Continued from January 8, 2004, Examiner Hearing**

**Application of Melrose Operating Company to re-instate and amend Division Order R-11720 for its Artesia Unit Waterflood Project, Eddy County, New Mexico.** Applicant seeks to re-instate Division Order R-11720, issued in case 12709, and to amend this order including altering the injection pattern, approving an additional injection well, Artesia Unit Well No. 21 located to Unit J of Section 35 and a replacement injection well, Artesia Unit Well No. 53 located in Unit J of Section 3, altering the injection interval for the Unit to temporarily delete the Penrose interval, increase the surface injection pressure to not less than 1263 psi, and for the application of a "radius of endangerment calculation" for this Unit as utilized in Division Order R-11328-A, dated May 21, 2001. This Unit is located in all or part of Sections 2 and 3, Township 18 South, Range 28 East, and Sections 25, 26, 34, 35, and 36, Township 17 South, Range 28 East. The injection will be into the Artesia Queen-Grayburg-San Andres Pool through the gross interval approximately 1,897 feet to 2,750 feet within the subject injection wells. This unit is located approximately 13 miles southeast of Artesia, New Mexico.

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

**CASE 13206:**

**Application of Mack Energy Corporation to amend compulsory pooling Order No. R-12006 to include additional oil wells for existing 40-acre spacing and proration units, Lea County, New Mexico.** Applicant seeks to amend pooling Order No. R-12006 to include additional oil wells for the NW/4 SW/4 (Unit L) and the NE/4 SW/4 (Unit K) of Section 31, Township 17 South, Range 32 East. Applicant proposes to drill the Panther Federal Well No. 2 in the NW/4 SW/4 and the Panther Federal Well No. 4 in the NE/4 SW/4 of said Section 31 to test any and all formations from the surface to a depth of 5000 feet that are developed on 40-acre spacing, which include but are not necessarily limited to the Undesignated Maljamar-Yates, Undesignated Pearsall-Seven Rivers, Undesignated Yates-Queen and the Maljamar-Grayburg-San Andres Pools. Also to be considered will be the cost of drilling and completing said wells and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and the imposition of the 200% risk penalty provided by Division Rule 19.15.1.35. Said area is located approximately 5 miles southwest of Maljamar, New Mexico.