

DOCKET: EXAMINER HEARING - THURSDAY - OCTOBER 21, 2004

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

Santa Fe, New Mexico

Docket Nos. 30-04 and 31-04 are tentatively set for November 4, 2004 and November 18, 2004. Applications for hearing must be filed at least 23 days in advance of hearing date. OCD Rule 1208.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Friday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Friday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

CASE 13357: *Application of Matrix New Mexico Holdings, LLC, for Compulsory Pooling, Lea County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the bottom of the Wolfcamp formation under the following acreage in Section 10, Township 13 South, Range 38 East, in the following manner: The E/2 of said Section 10 to form a standard 320-acre gas spacing and proration unit for all pools and formations spaced on 320-acre spacing within that vertical extent; The NE/4 of said Section 10 to form a standard 160-acre spacing and proration unit for all pools and formations spaced on 160 acres within that vertical extent; The E/2 NE/4 of said Section 10 to form a standard 80-acre spacing and proration unit for all pools and formations spaced on 80 acres within that vertical extent, including, but not necessarily limited to, the East Stallion-Devonian Oil Pool; and, The NE/4 NE/4 of said Section 10 to form a standard 40-acre spacing and proration unit for all pools and formations spaced on 40-acres within that vertical extent, including, but not necessarily limited to, the Bronco-Mississippian Oil Pool; the Bronco-Siluro Devonian Oil Pool; and the Bronco-Wolfcamp Oil Pool. Applicant proposes to dedicate these pooled units to its proposed Townsend #1-A Well, to be drilled at a standard gas well location in the NE/4 NE/4 of said Section 10. 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 Matrix New Mexico Operating Company, LLC as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles Southwest of Bronco, Texas.

CASE 13358: *Application of RB Operating Company for Two Unorthodox Oil Well Locations and Simultaneous Dedication, Lea County, New Mexico.* Applicant seeks an order authorizing the drilling and production of its Carrasco "14" Well No. 4 to be drilled at an unorthodox oil well location 2630 feet from the South line and 1330 feet from the East Line (Unit J) Section 14, Township 23 South, Range 28 East and to simultaneously dedicate it along with the South Culebra Bluff Well No. 2, (API 30-015-22591) to a standard 40-acre spacing unit consisting of Unit J of this section. Applicant further seeks an order authorizing the drilling and production of its South Culebra Bluff "23" Well No. 15 to be drilled at an unorthodox oil well location 1430 feet from the North line and 1150 feet from the East Line (Unit H) Section 23, T23S, R28E and to simultaneously dedicate it along with the South Culebra Bluff "23" Well No. 12 (API 30-015-26368) to a standard 40-acre oil spacing unit consisting of Unit H of this section. These spacing units are subject to the East-Loving-Brushy Canyon Pool and are located approximately 3 miles northeast of Loving, New Mexico.

CASE 13314: *Reopened and continued from October 7, 2004, Examiner Hearing.*
Second Amended Application of Burlington Oil & Gas Company LP for Surface Commingling, Rio Arriba County, New Mexico. At the request of the applicant, this case is being re-opened to correct the named county from San Juan County to Rio Arriba County. In this case, the applicant seeks an order granting an exception to Rule 303.A and, in accordance with Rule 303.B (4), approving surface commingling of oil production as a "pre-approved" allocation and measurement method other than individual well/lease metering for the following described wells/leases:

San Juan 29-7 Unit #191 Well, NW/4SE/4 Section 22-T29N-R7W, Basin Fruitland Coal and Blanco Pictured Cliffs Gas Pools;

San Juan 29-7 Unit #65A Well, NW/4SE/4 Section 22-T29N-R7W, Basin Dakota and Blanco Mesaverde Gas Pools;

San Juan 29-7 Unit #193 Well, SE/4SE/4 Section 36-T29N-R7W, Blanco PC South Gas Pool;

San Juan 29-7 Unit #55A Well, SE/4SE/4 Section 36-T29N-R7W, Blanco Mesaverde Gas Pool;

which shall be stored and measured at its centralized facilities located on each of the production pads located in the sections listed above. If the Division approves this application, then the applicant intends to utilize this approved method for the surface commingling of oil production from other wells and areas with notification made in accordance with Rule 303.B(4)(d)(iii). The #191 and #65A facilities are located approximately 24 miles East of Bloomfield, New Mexico. The #193 and #55A facilities are located approximately 25 miles East-Southeast of Bloomfield, New Mexico