

Docket Nos. 23-04 and 24-04 are tentatively set for August 19, 2004 and September 2, 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 13295: *Continued from July 22, 2004, Examiner Hearing*

Application of Preston Exploration, L.L.C. for Compulsory Pooling, Eddy County New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation, (undesignated POW-Morrow Pool) underlying the N/2 of Section 32, Township 16 South, Range 26 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. The unit is to be dedicated to applicant's San Remo 32 Com No. 1 Well to be located at a standard gas well location 1980 feet from the North line and 2130 feet from the West line of said Section 32. 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 to be located approximately 2 miles northwest of Artesia, New Mexico.

CASE 13314: *Application of Burlington Resources Oil & Gas Company LP for Surface Commingling, San Juan County, New Mexico.* 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/4 SE/4 Section 22-T29N-R7W, Basin Fruitland Coal and Blanco Pictured Cliffs Pools

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

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

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

which shall be stored and measured at its centralized facilities located on each of the production pads located on the sections listed above. If the Division approves this application, then the applicant intends to utilize this approved method for the surface commingling of production from other wells and areas. 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.

CASE 13115: *Application of Apache Corporation 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 underlying the NE/4 NW/4 of Section 13, Township 20 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any production from the surface to the base of the Abo formation, including but not limited to the D-K-Abo Pool, the House (Drinkard) Pool, and the undesignated East House-Tubb Pool. This unit is to be dedicated to its House "13" Well No. 1 which is to be drilled at a standard well location in Unit B of this section. Also to be considered will be the costs of drilling this 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 200% charge for risk involved in this well. This unit is located approximately 3 miles south of Nadine, New Mexico.

CASE 13305: *Continued from July 22, 2004, Examiner Hearing.*

Application of Mewbourne Oil Company for an Exception to Division Rule 104.C(2)(c), Eddy County, New Mexico. Applicant seeks an order granting an exception to Division Rule 104.C(2)(c) to allow two operators in all formations developed on 320-acre spacing in the N/2 equivalent of irregular Section 19, Township 21 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit in the Burton Flat-Morrow Gas Pool, the Undesignated La Huerta-Strawn Gas Pool and the Undesignated La Huerta-Atoka Gas Pool and any other pool in this 314.84-acre spacing unit developed on 320 acre spacing. Applicant proposes to directionally drill the Mewbourne Esperanza "19" Federal Com Well No. 2 from a non-standard surface location 599 feet from the North line and 2043 feet from the East line to a standard bottomhole location of 780 feet from the North line and 1463 feet from the West line of this section. The well will therefore be at a standard location in the Wolfcamp, Strawn, Atoka and Morrow formations. Applicant seeks