Examiner Hearing – September 2, 2004 Docket No. 24-04 Page 3 of 7

CASE 13322: Readvertised

Application of Richardson Operating Company to amend Division Order R-10656-A for Compulsory Pooling and an Unorthodox Coal-Gas Well Location, San Juan County, New Mexico. Applicant seeks to amend this compulsory pooling order to add its ROPCO "15" Well No. 2 that was drilled as a Pictured Cliff formation well at an approved unorthodox well location 476 feet from the South line and 1800 feet from the East line (Unit O) as an optional infill coalgas well and to pool all uncommitted mineral interest within the vertical limits of the Basin Fruitland Coal Gas Pool for a standard 320-acre gas spacing unit consisting of the E/2 of Section 15, Township 29 North, Range 13 West. 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, provisions governing subsequent operations on the pooled units, designation of Richardson Operating Company as operator of the well and a charge for risk involved in drilling said well. Said area is located within Farmington, New Mexico.

CASE 13314: Readvertised

Application of Burlington 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 Gas Pools;

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

San Juan 29-7 Unit #193 Well, SE/4 SE/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

CASE 13304: Continued from August 19, 2004, Examiner Hearing.

Application of JTD Resources, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Abo formation in the NE/4 NW/4 of Section 13, Township 20 South, Range 38 East, for all formations and/or pools developed on 40-acre spacing, which includes but is not necessarily limited to the Undesignated D-K-Abo Pool and the House-Tubb Pool. Said unit is to be dedicated to its Big Kick Well No. 1 to be drilled at a standard location 330 feet from the North line and 1650 feet from the West line of said Section 13 and drilled to a depth sufficient to test all formations from the surface to the base of the Abo formation. 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, provisions governing subsequent operations on the pooled units, designation of Capataz Operating, Inc., contract operator for 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 Nadine, New Mexico.

<u>CASE 13315</u>: Continued from August 19, 2004, Examiner Hearing

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.