

**CASE 13348:***Continued from November 4, 2004, Examiner Hearing*

**Application of Marbob Energy Corporation for Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 12, Township 17 South, Range 31 East: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Fren-Morrow Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; and the NE/4 SW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool and the Undesignated East Fren-Paddock Pool. Said units are to be dedicated to its Knockabout Federal Well No. 1 to be drilled at a standard gas well location 1830 feet from the South line and 1980 feet from the West line (Unit K) of said Section 12. 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 Hudson Oil Company of Texas as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles East of Maljamar, New Mexico.

**CASE 13387:***Application of Latigo Petroleum, Inc. for a non-standard gas spacing and proration unit*

**and an unorthodox gas well location, Lea County, New Mexico.** Applicant seeks to reinstate the former non-standard 160-acre gas spacing and proration unit within the Justis Gas Pool (76360) comprising the SW/4 of Section 1, Township 25 South, Range 37 East, which is located approximately five miles east-northeast of Jal, New Mexico, previously approved by Division Order No. R-586-C, issued in Case No. 1293 on October 3, 1957. This unit now to be dedicated to the Applicant's proposed Hodges "B" Federal Well No. 7 to be drilled at an unorthodox gas well location 1880 feet from the South line and 390 feet from the West line (Unit L) of Section 1.

**CASE 13363:***Continued October 21, 2004, Examiner Hearing*

**Application of the New Mexico Oil Conservation Division for an Order Requiring Greka AM, Inc. to Bring Six Wells into Compliance with 19.15.4.201 NMAC, Assessing Civil Penalties, and Authorizing the Division to Plug Said Wells and Forfeit the Applicable Security in Default of Compliance by Operator; Lea County, New Mexico.** The Applicant seeks an order requiring Greka AM, Inc., the operator in fact of six inactive wells in Lea County, New Mexico, to bring the wells into compliance with 19.15.4.201 NMAC, imposing civil penalties, authorizing the Division to plug said well or wells if the operator fails to do so and forfeit Operator's plugging security, and providing for such other relief as the Division deems appropriate. The affected wells are the following:

Harton State #1	API # 30-025-28540	UL H, Section 7, T13S, R36E
Morris #1	API # 30-025-29247	UL D, Section 8, T13S, R36E
Fern Guye #1	API #30-025-34488	UL M, Section 5, T13S, R36E
Saba State #1	API #30-025-33726	UL I, Section 7, T13S, R36E
San Simon 5 State #1	API #30-025-27564	UL E, Section 5, T22S, R35E
San Simon 5 State #2	API #30-025-28480	UL G, Section 5, T22S, R35E

The San Simon 5 State #1 and #2 wells are located approximately 25 miles southwest of Hobbs, New Mexico. The remaining wells are located approximately 20 miles north of Lovington, New Mexico.

**CASE 13357:***Continued from November 4, 2004, Examiner Hearing*

**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