

**DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 16, 2004**

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

Santa Fe, New Mexico

Docket Nos. 01-05 and 02-05 are tentatively set for January 6, 2005 and January 20, 2005. 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 13375: Continued from November 18, 2004, Examiner Hearing.**

***Application of Paladin Energy Corporation for compulsory pooling, Lea County, New Mexico.*** Applicant seeks an order pooling all uncommitted mineral interests in all formations below the base of the Queen formation underlying the S/2 of Section 22, Township 18 South, Range 35 East, to form a standard 320-acre spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently includes but is not necessarily limited to the undesignated South Vacuum-McKee Gas Pool. This unit is to be dedicated to the South Vacuum 22 Well No. 1, to be drilled at a standard location in SW/4 SE/4 (Unit O) of said Section 22 to test the McKee formation at a depth of approximately 14,000 feet. 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, pursuant to NMRA 19.15.1.35, the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located approximately 19 miles northwest of Hobbs and 4 miles southwest of Buckeye, New Mexico.

**CASE 13391:** ***Application of San Juan Resources of Colorado, Inc. to amend Division Order R-11926 to include subsequent operations and an optional "infill" gas well provision (compulsory pooling), San Juan County, New Mexico.*** Applicant, in accordance with Division Rule 1207.A(1)(b), seeks an order amending this compulsory pooling order to provide for subsequent operations and the inclusion of its Tecumseh Well No. 1-E, to be located in Unit L as a well subject to this compulsory pooling order that pooled all mineral interests from the base of the Pictured Cliffs formation to the base of the Dakota formation underlying the S/2 of Irregular Section 18, Township 30 North, Range 11 West, forming a standard 320-acre gas spacing and proration unit for any production such production. Also to be considered will be the subsequent operations provisions and the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, and the continuing the designation of San Juan Resources of Colorado, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 2 miles East from Flora Vista, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

**CASE 13352: Continued from December 2, 2004, Examiner Hearing.**

***Application of Samson Resources Company for Compulsory Pooling, Lea County, New Mexico.*** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 15, Township 21 South, Range 32 East, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Undesignated Hat Mesa-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within that vertical extent; and the NE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the proposed Mesa Verde Federal "15" Well No. 1, to be drilled at an orthodox location in the NE/4 NE/4 (Unit A) of Section 15. 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 located approximately 6½ miles southeast of the intersection of U.S. Highway 62/180 and State Highway 176.