

DOCKET: EXAMINER HEARING - THURSDAY - JULY 24, 2003

**8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico**

Docket Nos. 24-03 and 25-03 are tentatively set for August 7, 2003 and August 21 2003. 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 13105: (Continued from July 10, 2003, Examiner Hearing)

Application of Xeric Oil & Gas Corporation for Salt Water Disposal, Lea County, New Mexico. Applicant seeks authority to utilize its Gregory "A" Well No. 5 (API No. 30-025-11884) located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 33, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, to dispose of produced water into the Yates, Seven Rivers and/or Queen formations (Langlie-Mattix Pool) through the perforated interval from approximately 3,116 feet to 3,128 feet. This well is located approximately 2 miles southeast of Jal, New Mexico.

CASE 13106: **Application of Fasken Oil and Ranch, Ltd. for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from 9,000 feet (top of the Wolfcamp formation) to the base of the Morrow formation underlying the W/2 of Section 23, Township 17 South, Range 34 East, forming a standard 320-acre gas spacing and proration unit for any production from the top of the Wolfcamp formation to the base of the Morrow formation, including but not limited to the North Vacuum-Atoka/Morrow Gas Pool. This unit is to be dedicated to its Dirt Devil "23" State Well No. 1 which is to be drilled at a standard well location in Unit M 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 charge for risk involved in this well. This unit is located approximately 4-1/2 miles south-southwest of Buckeye, New Mexico.

CASE 13107: **Application of Fasken Oil & Ranch Ltd for an order authorizing the drilling of a well in the Potash Area, Lea County, New Mexico.** Applicant seeks an order authorizing the drilling of its proposed Laguna "16" State Well No. 1 at a standard gas well location in the SE/4 SE/4 (Unit P) of Section 16, Township 20 South, Range 32 East. Said location is within the Potash Area and approximately 2 miles northwest of Halfway, New Mexico.

CASE 13108: **Application of Concho Exploration, Inc. to increase the depth bracket allowable for the Shugart-Delaware Pool, Eddy County, New Mexico.** Applicant seeks to increase the depth bracket allowable for the Shugart-Delaware Pool located in portions of Sections 22 and 27 of Township 18 South, Range 31 East, to 142 barrels of oil per day for each 40-acre unit to conform to the producing depth of Concho's Principle Federal Well No. 1 recently completed in this pool. Said pool is located approximately five miles southeast of Loco Hills, New Mexico.

CASE 13109: **Application of Marbob Energy Corporation for an unorthodox well location, Eddy County, New Mexico.** Applicant seeks an order granting an exception to Division Rule 104.B(1) approving an unorthodox well location for its Zarafa "FF" Federal Well No. 2 at a point 1650 feet from the South line and 2550 feet from the West line (Unit K) of Section 12, Township 21 South, Range 24 East, to be drilled to a depth sufficient to test all formations from the surface to the base of the Morrow formation, Undesignated Southeast Cemetery-Morrow Gas Pool. Said well is located approximately 4.6 miles west northwest of the Junction of U. S. Highway 285 and Highway 137, Eddy County, New Mexico.

CASE 13110: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 4, Township 19 South, Range 31 East as follows: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Shugart-Morrow Gas Pool, and the Undesignated Gatuna Canyon-Atoka Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; and the S/2 SW/4 for all formations and/or pools developed on 80-acre spacing. Said units are to be dedicated to its Red Cloud "4" Federal Com Well No. 1 to be drilled at a standard location 810 feet from the South line and 660 feet from the West line of said Section 4 to a depth sufficient to test all formations from the surface to the base of the Morrow 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 Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 10 miles southeast of Loco Hills, New Mexico.