

DOCKET: EXAMINER HEARING - THURSDAY – MARCH 19, 2009

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

Docket Nos. 10-09 and 11-09 are tentatively set for March 31, 2009 and April 16, 2009. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday 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 Thursday 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.

<i>Locator Key for Cases</i>
<i>Case 14173 – No. 11</i>
<i>Case 14245 – No. 5</i>
<i>Case 14271 – No. 12</i>
<i>Case 14277 – No. 13</i>
<i>Case 14283 – No. 1</i>
<i>Case 14284 – No. 2</i>
<i>Case 14285 – No. 3</i>
<i>Case 14286 – No. 4</i>
<i>Case 14287 – No. 6</i>
<i>Case 14288 – No. 7</i>
<i>Case 14289 – No. 8</i>
<i>Case 14290 – No. 9</i>
<i>Case 14291 – No. 10</i>

1. **CASE 14283:** *Application of the New Mexico Oil Conservation Division for a Compliance Order against Burlington Resources Oil & Gas Company LP or, in the alternative, DMS Oil Co.* The Applicant seeks an order determining the operator of the Cooper B #002 well, finding that the operator is in violation of 19.15.25.10 NMAC and 19.15.25.11 NMAC as to that well, requiring operator to bring said well into compliance by a date certain, and in the event of non-compliance, authoring the division to complete the plugging and abandonment of the well and forfeit the applicable financial assurance. The affected well is: Cooper B #002, 30-025-09577, C-14-24S-36E. The well is located approximately 10 miles southwest of Teaque in Lea County, New Mexico.
2. **CASE 14284:** *Application of Branex Resources, Inc. for approval of a unit agreement, Chaves County, New Mexico:* Applicant seeks approval of the Unit Agreement for the Thunderhead Unit Area, comprising 2558.40 acres of federal, state, and fee lands comprising all of Sections 3, 4, 9, and 10, Township 4 South, Range 27 East, NMPM. The proposed unit area is centered approximately 21 miles Northwest of Kenna, New Mexico.
3. **CASE 14285:** *Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Yeso formation underlying the NE/4 NW/4 of Section 10, Township 20 South, Range 25 East, NMPM, to form a standard 40-acre oil spacing and proration unit for all pools or formations developed on 40-acre spacing within that vertical extent, including the Undesignated Cemetery-Yeso Pool. The unit is to be dedicated to the proposed Long Draw "10" C Well No. 1, to be drilled at an

orthodox location in the NE/4 NW/4 of Section 10. 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 3 miles West-Southwest of Seven Rivers, New Mexico.

4. **CASE 14286: Application of Mewbourne Oil 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 Lots 1-8 of irregular Section 3, Township 21 South, Range 35 East, NMPM, to form a non-standard 310.92-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated South Osudo-Morrow Gas Pool. The unit is to be dedicated to the proposed White Wing "3" State Com. Well No. 1, to be drilled at an orthodox location in Lot 4 of Section 3. 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 6 miles west-northwest of Oil Center, New Mexico.
5. **CASE 14245: (reopened)** **Application of RSC Resources Limited Partnership for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.**
Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) comprised of Lot 4, SE/4SW/4, and S/2SE/4 (the S/2S/2) of Section 30, Township 16 South, Range 28 East, NMPM, to form a non-standard 162.77-acre oil spacing and proration unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, and pooling all mineral interests in the Wolfcamp formation underlying the non-standard unit. The unit is to be dedicated to the Lucky Wolf "30" Fed. Com. Well No. 1, a horizontal well to be drilled at a surface location 860 feet from the south line and 100 feet from the east line of Section 30. The well will penetrate the Wolfcamp formation at a point approximately 860 feet from the south line and 330 feet from the west line, and have a terminus 990 feet from the south line and 330 feet from the east line, of Section 30. 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 11 miles east-northeast of Artesia, New Mexico.
6. **CASE 14287: Application of Energen Resources Corporation for Creation of the Carracas Canyon Production Area and for Exception to the Well Location Provisions of the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.** Applicant seeks an order creating the Carracas Canyon Production Area and providing for an exception to the well setback location provisions of the Rules and Regulations for the Basin-Fruitland Coal Gas Pool authorizing well locations within 10 feet of section, quarter-section, or interior quarter-quarter section lines or subdivision inner boundaries in conformance with Rule 7(a)(2) of the pool rules for the pool including wells to be drilled in and adjacent to participating areas within the production area, but no closer than 660 feet from the outer boundaries of the production area. The proposed production area is comprised of the following lands located in Rio Arriba County, New Mexico: All or portions of the following sections in Township 32 North, Range 4 West: Sections 8 through 36; all or portions of the following sections in Township 32 North, Range 5 West: Sections 10 through 16, Sections 21 through 27, Sections 34 through 36; and all or portions of the following sections in Township 31 North, Range 5 West: Sections 1 and 2. The subject lands are located in the immediate vicinity of Carracas, New Mexico.