

DOCKET: EXAMINER HEARING - THURSDAY - AUGUST 21, 1997

8:15 AM - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos 27-97 and 28-97 are tentatively set for September 4, 1997 and September 18, 1997. 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 11675: (Reopened - Continued from July 24, 1997, Examiner Hearing.)

In the matter of Case No. 11675 being reopened pursuant to the provisions of Division Order No. R-10735, which order promulgated Temporary Special Rules and Regulations for the North Lovington-Wolfcamp Pool in Lea County, New Mexico. Operators in the subject pool may appear and show cause why said Temporary Special Rules and Regulations for the North Lovington-Wolfcamp Pool should not be rescinded.

CASE 11805: (Continued from August 7, 1997, Examiner Hearing.)

Application of Penwell Energy, Inc. 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 underlying the N/2 for all formations developed on 320-acre spacing; the NW/4 for all formations developed on 160-acre spacing; the N/2 NW/4 for all formations developed on 80-acre spacing; and the NE/4 NW/4 for all formations developed on 40-acre spacing, all in Section 28, Township 23 South, Range 26 East. Said units are to be dedicated to its Frontier Hills "28" State Com Well No. 1 to be drilled as a wildcat well at a standard location 660 feet from the North line and 1980 feet from the West line (Unit C) of said Section 28 to test any and all formations 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, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 10 miles southwest of Carlsbad, New Mexico.

CASE 11726: (Continued from August 7, 1997, Examiner Hearing.)

Application of ARCO Permian, a unit of Atlantic Richfield for compulsory pooling, directional drilling and unorthodox well locations, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the S/2, in all formations developed on 160-acre spacing underlying the SW/4, in all formations developed on 80-acre spacing underlying the S/2 SW/4, and in all formations developed on 40-acre spacing underlying the SE/4 SW/4, from below 3300 feet to the base of the Upper Mississippian formation, of Section 8, Township 18 South, Range 28 East. Said units are to be dedicated to its Mimosa 8 State Com Well No. 1 which will be directionally drilled from an unorthodox surface location 350 feet from the South line and 2003 feet from the West line (Unit N) to an unorthodox bottomhole location in the Mississippian and Morrow formations, within 55 feet of a point 404 feet from the South line and 1749 feet from the West line of said Section 36. 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 the operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 14 miles southeast of Artesia, New Mexico.

CASE 11824: (Continued from August 7, 1997, Examiner Hearing.)

Application of David Petroleum Corporation for an unorthodox well location, Lea County, New Mexico. Applicant seeks authorization to drill its Conoco State Well No. 1 as a wildcat well to the Strawn formation at an unorthodox well location 1250 feet from the South line and 1200 feet from the East line (Unit P) of Section 36, Township 16 South, Range 37 East. The SE/4 SE/4 of said Section 36 is to be dedicated to said well forming a standard 40-acre spacing and proration unit. Said unit is located approximately 8 miles southeast of Lovington, New Mexico.

CASE 11649: (Continued from August 7, 1997, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing underlying the N/2, in all formations developed on 160-acre spacing underlying the NE/4, in all formations developed on 80-acre spacing underlying the N/2 NE/4, and in all formations developed on 40-acre spacing underlying the NW/4 NE/4 from the surface to the base of the Morrow formation, Cemetery-Morrow Gas Pool, of Section 26, Township 19 South, Range 25 East. Said units are to be dedicated to its Morris 26B Well No.1 which will be drilled at a standard location 660 feet from the North line and 1650 feet from the East line (Unit B) of said Section 26. 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 the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 4 1/2 miles west of Lakewood, New Mexico.

Examiner Hearing - August 21, 1997

Docket No. 26-97

Page 2 of 4

CASE 11810: (Continued from August 7, 1997, Examiner Hearing.)

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pennsylvanian formation underlying the S/2 of Section 13, Township 22 South, Range 24 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the McKittrick Hills-Upper Pennsylvanian Gas Pool; forming a standard 160-acre gas spacing and proration unit underlying the SE/4 of said Section 13 for any and all formations/pools developed on 160-acre gas spacing; and forming a 40-acre spacing unit underlying the SW/4 SE/4 of said Section 13 for any and all formations and/or pools spaced on 40-acre spacing. Said units are to be dedicated to its M-H 13 Federal Com Well No. 2 to be drilled and completed at a standard well location in Unit O of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Nearburg Producing Company as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 12 miles west of Carlsbad, New Mexico.

CASE 11797: (Continued from August 7, 1997, Examiner Hearing.)

Application of Nearburg Producing Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all minerals interests in all formations developed on 320-acre spacing in the N/2, in all formations developed on 160-acre spacing in the NE/4, in all formations developed on 80-acre spacing in the N/2 NE/4, and in all formations developed on 40-acre spacing in the NW/4 NE/4 of Section 13, Township 19 South, Range 33 East. Said unit is to be dedicated to its Stetson "13" Federal Well No. 1 to be drilled at a standard location 1980 feet from the North line and 1650 feet from the East line (Unit G) of said Section 13. 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 a charge for risk involved in drilling said well. Said area is located approximately 8 miles northeast of Halfway, New Mexico.

CASE 11830: **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation, underlying the S/2 for all formations developed on 320-acre spacing, including the Avalon-Morrow Gas Pool, the West Burton Flat-Strawn Gas Pool and the Avalon-Upper Pennsylvanian Gas Pool; underlying the SW/4 for all formations developed on 160-acre spacing; underlying the E/2 SW/4 for all formations developed on 80-acre spacing; and underlying the NE/4 SW/4 for all formations developed on 40-acre spacing in Section 15, Township 21 South, Range 26 East. Said units are to be dedicated to its Carlsbad "15" Federal Com Well No. 1 to be drilled at a standard location 1980 feet from the South line and 1850 feet from the West line (Unit K) of said Section 15. 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 a charge for risk involved in drilling said well. Said area is located approximately 2 miles northwest of Carlsbad, New Mexico.

CASE 11831: **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in all formations from 500 feet beneath the surface to the base of the Morrow formation underlying the following described acreage in Section 4, Township 18 South, Range 28 East, and in the following manner: Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) equivalent to form a standard 320.36-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Empire-Pennsylvanian Gas Pool and the Undesignated North Illinois Camp-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools spaced on 160-acre spacing within said vertical extent; and the N/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any formations and/or pools spaced on 80 acres within said vertical extent, including the Undesignated Travis-Upper Pennsylvanian Pool. Said units are to be dedicated to its Scoggin Draw "4" State Com Well No. 1, located 2310 feet from the South line and 660 feet from the West line (Unit L) of said Section 4. 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 a charge for risk involved in drilling said well. Said unit is located approximately 13 miles southeast of Artesia, New Mexico.

CASE 11832: **Application of UMC Petroleum Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the top of the Strawn clastics to the base of the Woodford formation underlying the W/2 of Section 10, Township 16 South, Range 35 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within said vertical extent, including the Townsend-Morrow Gas Pool and the Undesignated North Townsend-Mississippian Gas Pool. Said unit is to be dedicated to its Carlisle State Com Well No. 1, located at an orthodox location in 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 supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. Said unit is located approximately 6 miles west-southwest of Lovington, New Mexico.