

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 2, 1999

8:15 A.M. - 2040 South Pacheco

Santa Fe, New Mexico

Dockets Nos. 37-99 and 1-00 are tentatively set for December 16 and January 6, 2000. 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 12249: Continued from November 4, 1999, Examiner Hearing.

Application of Navajo Refining Company to modify its discharge plan to change the location of an injection well, Eddy County, New Mexico. Applicant seeks to modify its discharge plan (# UIC-CLI-008) to revise the location of its proposed WDW-2 injection well to a well originally drilled as the Amoco Production Company Diamond Federal Gas Com No. 1, located in the NW/4 of Section 12, Township 18 South, Range 27 East. The well is located approximately 10 miles southeast of Artesia, New Mexico.

CASE 12293: **Application of Pogo Producing Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco/Canyon formation underlying the following described acreage in Section 18, Township 20 South, Range 25 East, in the following manner: The E/2 to form a standard 320-acre spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated South Dagger Draw-Upper Pennsylvanian Associated Pool; and the SE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Osage Well No. 1, located 1830 feet from the South line and 1980 feet from the East line (Unit J) of Section 18. Also to be considered will be the cost of recompleting the 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 recompleting the well. The units are located approximately 6 miles west-southwest of Seven Rivers, New Mexico.

CASE 12257: Continued from November 18, 1999, Examiner Hearing.

Application of E.G.L. Resources, Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Yates formation underlying the NW/4 of Section 23, Township 20 South, Range 28 East to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent, including the Russell-Lower Yates Gas Pool. This unit is to be dedicated to a well to be drilled at a standard gas well location thereon. 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 the operator of the well, and a charge for risk involved in drilling and completing the well. The unit is located approximately 11 miles north-northeast of Carlsbad, New Mexico.

CASE 12268: Continued from November 18, 1999, Examiner Hearing.

Application of E. G. L. Resources, 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 W/2 of Section 4, Township 20 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent. The unit is to be dedicated to its Trigg Federal Well No. 1, to be drilled at an orthodox location in the W/2 of Section 4. 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 the operator of the well, and a charge for risk involved in drilling and completing the well. The unit is located approximately 5 miles east-southeast of Lakewood, New Mexico.

CASE 12287: Continued from November 18, 1999, 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 Morrow formation underlying the following described acreage in Section 7, Township 22 South, Range 26 East, in the following manner: the W/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Hackberry Hills-Canyon Gas Pool, Undesignated Happy Valley-Strawn Gas Pool, Undesignated Hackberry Hills-Atoka Gas Pool, and Happy Valley-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the NE/4 SW/4 for form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Filaree Dome-Delaware Pool and Undesignated Happy Valley-Bone Spring Pool. The units are to be dedicated to its White Tip "7" Fed. Well No. 2 to be located 1500 feet from the South line and 1980 feet from the East line (Unit K) of Section 7. 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 Nearburg Producing Company as the operator of the well, and a charge for risk involved in drilling and completing the well. These units are located approximately 6.5 miles west-southwest of Carlsbad, New Mexico.

Examiner Hearing – December 2, 1999

Docket No. 36-99

Page 2 of 6

CASE 12244: Continued from November 18, 1999, 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 Morrow formation underlying the following described acreage in Section 7, Township 22 South, Range 26 East, in the following manner: the E/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Hackberry Hills-Canyon Gas Pool, Undesignated Happy Valley-Strawn Gas Pool, Undesignated Hackberry Hills-Atoka Gas Pool, and Happy Valley-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Filaree Dome-Delaware Pool and Undesignated Happy Valley-Bone Spring Pool. The units are to be dedicated to its White Tip "7" Fed. Well No. 1 to be located 1550 feet from the South line and 990 feet from the East line (Unit I) of Section 7. 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 Nearburg Producing Company as the operator of the well, and a charge for risk involved in drilling and completing the well. The unit is located approximately 6 miles west-southeast of Carlsbad, New Mexico.

CASE 12261: Continued from November 4, 1999, Examiner Hearing.

Application of KCS Medallion Resources, Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the the base of the Bone Spring formation to the base of the Morrow format on underlying the E/2 of Section 28, Township 21 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, Undesignated Southeast La Huerta-Atoka Gas Pool, and Burton Flat-Morrow Gas Pool. The unit is to be dedicated to its Esperanza "28" Well No. 1, to be drilled at a location 860 feet from the South line and 1204 feet from the East line (Unit P) of Section 7. 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 the operator of the well, and a charge for risk involved in drilling and completing the well. The unit is located approximately 3 1/2 miles northeast of Carlsbad, New Mexico.

CASE 12294: **Application of David H. Arrington Oil & Gas, Inc. for a special project allowable for a directional wellbore or, in the alternative, to amend Rule 6 of the special pool rules for the North Shoe Bar-Strawn Pool, Lea County, New Mexico.** Applicant seeks, effective as of October 1, 1999, the assignment of a special project oil allowable of 890 barrels of oil per day for its Mayfly "1" State Com Well No. 2, a directional wellbore located in Units A and B of Section 14, Township 16 South, Range 35 East, or, in the alternative, to amend Rule 6 of the special pool rules for the North Shoe Bar-Strawn Pool, effective as of October 1, 1999, to increase the depth bracket oil allowable from 605 barrels of oil per day to 890 barrels of oil per day. This pool is located within portions of Section 13, Township 16 South, Range 35 East, and is approximately 4 miles southeast of Lovington, New Mexico.

CASE 12295: **Application of Santa Fe Snyder Corporation 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 E/2 of Section 11, Township 21 South, Range 34 East, to form a standard 320-acre spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within this vertical extent, which presently include the Undesignated West Osudo-Morrow Gas Pool and Undesignated Wilson-Morrow Gas Pool. This unit is to be dedicated to its Outland "11" State Com Well No. 1 to be drilled and completed at a standard gas well location in Unit I of Section 11. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well, and a charge for the risk involved in drilling and completing this well. This unit is located approximately 10 miles west of Oil Center, New Mexico.

CASE 12276: Continued from November 18, 1999, Examiner Hearing.

Application of Burlington Resources Oil & Gas Company for Compulsory Pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Mesaverde formation and the Chacra formation underlying the following described acreage within Section 36, Township 27 North, Range 8 West, in the following manner: (i) a 320-acre gas spacing unit consisting of the W/2 of this section for gas production from the Blanco-Mesaverde Gas Pool to be dedicated to the proposed Brookhaven Com Well No. 8 to be located in the NW/4 and to the Brookhaven Com Well No. 8-A to be located in the SW/4 of this section; (ii) for a standard 60-acre gas spacing unit consisting of the NW/4 of this section for gas production from the Otero-Chacra Gas Pool to be dedicated to the Brookhaven Com Well No. 8; and (iii) for a standard 160-acre gas spacing unit consisting of the SW/4 of this section for gas production from the Otero-Chacra Gas Pool to be dedicated to the Brookhaven Com Well No. 8-A. The units are to be dedicated to Burlington Resource Oil & Gas Company's Brookhaven Com Wells No. 8 and 8-A which are to be drilled as dual completions at standard gas well locations within these quarter sections. Also to be considered will be the costs of drilling and completing the wells 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 wells, and a charge for risk involved in drilling and completing the wells. The wells are located approximately 15 miles northeast of the El Huerfano Trading Post on New Mexico State Highway 44.