

DOCKET: EXAMINER HEARING - THURSDAY – JUNE 13, 2002

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

Santa Fe, New Mexico

Docket Nos. 19-02 and 20-02 are tentatively set for June 27, 2002 and July 11, 2002. 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 12871: Continued from May 30, 2002, Examiner Hearing.

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Atoka formation underlying the W/2 of Section 26, Township 24 South, Range 28 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Salt Draw-Atoka Gas Pool. The unit is to be dedicated to applicant's Willow Lake "26" Fee Com. Well No. 1, to be drilled at an orthodox location in the SW/4 SW/4 (Unit M) of Section 26. 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 charge for the risk involved in drilling and completing the well. The unit is located approximately 2½ miles south-southeast of Malaga, New Mexico.

CASE 12874: Application of Concho Oil & Gas Corp. and Nearburg Producing Company for approval of surface commingling of production from wells operated by two different operators, Eddy County, New Mexico. Applicants seek an order approving surface commingling of Diamond Mound-Morrow Gas Pool production from the Concho Crow Flats 11 Fed. Well No. 1, located in the W/2 of Section 11, the Concho Crow Flats 3 Fed. Well No. 1, located in the S/2 of Section 3, and the Nearburg Crow Flats 10 Fed. Well No. 1, located in the E/2 of Section 10, all in Township 16 South, Range 28 East. The wells are located approximately 13½ miles northwest of Loco Hills, New Mexico.

CASE 12868: Continued from May 30, 2002, Examiner Hearing.

Application of Apache Corporation for approval of a non-standard gas proration and spacing unit, unorthodox gas well locations, simultaneous dedication, downhole commingling, and assignment of a special gas allowable, Lea County, New Mexico. Applicant seeks approval of unorthodox gas well locations for its Thomas Long Well No. 5, located 912 feet from the South line and 1721 feet from the West line and for its proposed Thomas Long Well No. 6 to be located 900 feet from the South line and 2091 feet from the West line, both in Section 11, Township 22 South, Range 37 East, to be simultaneously dedicated to a 40-acre non-standard gas/oil proration and spacing unit for downhole commingling production from the Blinebry Gas and Oil Pool and the Tubb Gas and Oil Pool with the assignment of a special gas allowable not to exceed the casinghead gas allowable of 642 mcfpd. These wells are located approximately 2 miles south of Eunice, New Mexico.

CASE 12387: Reopened

In the matter of Case 12387 being reopened pursuant to the provisions of Division Order No. R-11374-A, which order extended for one year the temporary special pool rules for the Southeast Arena Blanca-Entrada Pool in Sandoval County, New Mexico. Operators in the Southeast Arena Blanca-Entrada Pool should appear and show cause why the temporary special pool rules should not be rescinded and the pool developed on standard 40-acre oil spacing.

CASE 12866: Continued from May 16, 2002, Examiner Hearing.

Application of C. W. Trainer for approval of a salt water disposal well, Lea County, New Mexico.

Applicant seeks approval to utilize its State GA Well No. 6 (API No. 30-025-03687) located 660 feet from the North line and 990 feet from the West line (Unit D) of Section 16, Township 15 South, Range 36 East, to dispose of produced water into the San Andres and Glorieta formations from a depth of 4749 feet to 6230 feet. This well is located approximately 3 miles northeast of Lea County, New Mexico.

CASE 12790: Continued from May 16, 2002, Examiner Hearing.

Amended Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 17, Township 20 South, Range 34 East as follows: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool, Undesignated South Quail Ridge-Atoka Gas Pool, and the Undesignated Lea Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; the W/2 NW/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Featherstone-Bone Springs Pool, and the NW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Southeast Teas-Delaware Pool, Undesignated Teas-Bone Springs Pool and the Undesignated Teas Yates-Seven Rivers Pool. Said well is to be dedicated to its Mesquite "17" Federal Well No. 1 to be drilled at a standard location 660 feet from the North and West lines of said Section 17 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 9 miles East of Halfway, New Mexico.

CASE 12820: Continued from May 16, 2002, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 5, Township 19 South, Range 33 East as follows: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Corbin-Morrow Gas Pool and the Buffalo-Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated West Tonto-Wolfcamp Pool, Undesignated Tonto-Bone Spring Pool, Undesignated Buffalo-Queen Pool and the Buffalo-Yates Pool. Said well is to be dedicated to its Gem North "5" Federal Com Well No. 1 to be drilled at a standard location 2310 feet from the North line and 660 feet from the West line of said Section 5 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, imposition of a charge for risk involved in drilling said well and whether excessive royalty burdens upon certain leases should be subject to the charge for risk imposed by this order. Said area is located approximately 24 miles southeast of Loco Hills, New Mexico.

CASE 12875: Application of Texakoma Oil & Gas Corporation for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks approval to drill its proposed Black Hills "16" Well No. 1 (API No. 30-045-31077) at an off-pattern non-standard coal gas well location 772 feet from the South line and 701 feet from the East line (Unit P) of Section 16, Township 26 North, Range 13 West, which is located approximately 17 miles south of Farmington, New Mexico. The S/2 of Section 16 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Basin-Fruitland