

DOCKET: EXAMINER HEARING - THURSDAY – February 8, 2001
8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Dockets Nos. 5-01 and 6-01 are tentatively set for February 22, 2001 and March 8, 2001. 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 12558: Continued from December 21, 2000, Examiner Hearing.

Application of Dugan Production Corporation for special pool rules, or in the alternative, for simultaneous dedication, San Juan County, New Mexico. Applicant seeks the promulgation of special rules and regulations for the currently unprorated WAW Fruitland Sand-Pictured Cliffs Pool, including provisions to permit a second gas well (infill well) within a standard 160-acre spacing unit, designated well location requirements, and any other provisions deemed necessary in the implementation of "infill drilling" in this pool. The WAW Fruitland Sand-Pictured Cliffs Pool comprises portions of Townships 25, 26, and 27 North, Ranges 11, 12, and 13 West and is centered approximately 14 miles south of Farmington, New Mexico. **IN THE ALTERNATIVE**, the applicant seeks exceptions to Division Rule 104.D (3) to continuously and concurrently produce gas from the WAW Fruitland Sand-Pictured Cliffs Pool within the following two existing 160-acre gas spacing and proration units comprising: (A) the SE/4 of Section 36, Township 27 North, Range 13 West from its: (i) older existing Bengal "C" Well No. 5 (API No. 30-045-22628), located at an unorthodox gas well location (approved by Division Administrative Order NSL-867, dated July 14, 1977) 790 feet from the South line and 2000 feet from the East line (Unit O) of Section 36; and (ii) recently drilled and completed Bengal Well No. 6 (API No. 30-045-29830), located at a standard gas well location 900 feet from the South and East lines (Unit P) of Section 36, and for the simultaneous dedication of both wells to this 160-acre unit; and (B) the SE/4 of Section 12, Township 26 North, Range 13 West from its: (i) older existing Irish Well No. 1-J (API No. 30-045-23887), located at a standard gas well location 790 feet from the South and East lines (Unit P) of Section 12; and (ii) recently drilled and completed Irish Well No. 4 (API No. 30-045-29833), located at a standard gas well location 1850 feet from the South line and 790 feet from the East line (Unit I) of Section 12, and for the simultaneous dedication of both wells to this 160-acre unit.

CASE 12589: Application of H. L. Brown, Jr. for compulsory pooling, a non-standard oil spacing and proration unit and an unorthodox oil well location, Roosevelt County, New Mexico. Applicant, in accordance with Division Rule 1207.A(2), seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the NE/4 of Section 8, Township 7 South, Range 36 East, forming a standard 160-acre gas spacing unit and a non-standard 160-acre oil spacing and proration unit to be dedicated to its Robertson "8" Well No. 1 to be drilled and completed at an unorthodox oil well location 1550 feet from the North line and 1400 feet from the East line of this section (Unit G). 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 applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 7 miles southwest of Milnesand, New Mexico.

CASE 12539: Continued from January 11, 2001, Examiner Hearing

(REOPENED AND READVERTISED) Application of Maynard Oil Company for simultaneous Dedication in the Wilson-Morrow Gas Pool, Lea County, New Mexico. Applicant seeks authorization to simultaneously dedicate its existing Wilson Deep Unit Well No. 1 (located 2080 feet from the North and West lines - Unit F) and its proposed Wilson Unit Well No. 2 (to be located at a standard location 660 feet from the North and West lines - Unit D) to a standard 320-acre gas spacing unit comprised of the W/2 of Section 13, Township 21 South, Range 34 East. This location is

approximately 16 miles west-northwest of Eunice, New Mexico.

CASE 12567: (READVERTISED)

Application of Ocean Energy Resources, Inc. for compulsory pooling and four non-standard oil and gas spacing and proration units, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying Lots 1-8 of irregular Section 3, Township 16 South, Range 35 East, and in the following manner: Lots 1-8 to form a non-standard 355.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool and Undesignated North Shoe Bar-Morrow Gas Pool; Lots 3-6 to form a non-standard 177.21-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; Lots 3 and 4 to form a non-standard 97.21-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated South Big Dog-Strawn Pool; and Lot 4 to form a non-standard 48.43-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Townsend-Permo Upper Pennsylvanian Pool. The units are to be dedicated to applicant's Townsend State Com. Well No. 10, to be located at an orthodox location 800 feet from the North line and 660 feet from the West line 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 charge for the risk involved in drilling and completing the well. The units are located approximately 6 miles west-northwest of Lovington, New Mexico.

CASE 12535: (READVERTISED)

Application of Ocean Energy Resources, Inc. for compulsory pooling and four non-standard oil and gas spacing and proration units, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying Lots 1-8 of irregular Section 3, Township 16 South, Range 35 East, and in the following manner: Lots 1-8 to form a non-standard 355.80-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Shoe Bar-Atoka Gas Pool and Undesignated North Shoe Bar-Morrow Gas Pool; Lots 3-6 to form a non-standard 177.21-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; Lots 3 and 4 to form a non-standard 97.21-acre oil spacing and proration unit for any formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated South Big Dog-Strawn Pool; and Lot 4 to form a non-standard 48.43-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Townsend-Permo Upper Pennsylvanian Pool. The units are to be dedicated to applicant's Townsend State Com. Well No. 10, to be located at an orthodox location 800 feet from the North line and 660 feet from the West line 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 charge for the risk involved in drilling and completing the well. The units are located approximately 6 miles west-northwest of Lovington, New Mexico.

CASE 12590: **Application of Yates Petroleum Corporation for compulsory pooling and a non-standard gas spacing and proration unit, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in Lots 1 through 8 (N/2