

Examiner Hearing – December 7, 2000

Docket No. 35-00

Page 3 of 6

formations developed on 160-acre spacing, all in Section 15, Township 18 South, Range 24 East. Applicant proposes to dedicate these pooled units to its Gold Stonefly Federal "15" Well No. 1 to be drilled at a standard gas well location in the SE/4 of Section 15. 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 risk involved in drilling the well. The area is located approximately 8 miles southwest of Artesia, New Mexico.

CASE 12550: **Application of TMBR/Sharp Drilling, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the Atoka and Morrow formations developed on 320-acre spacing in the W/2 of Section 21, Township 18 South, Range 32 East, which includes but is not necessarily limited to the Undesignated North Lusk-Morrow Gas Pool and the Undesignated Querecho Plains-Atoka Gas Pool. Said unit is to be dedicated to its Federal "21" Well No. 1 to be drilled at a standard location 1980 feet from the South line and 990 feet from the West line of Section 21 to a depth sufficient to test the Atoka and Morrow formations. 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 2.5 miles south of Maljamar, New Mexico.

CASE 12551: **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 14, Township 21 South, Range 34 East, as follows: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Wilson-Morrow Gas Pool and the Undesignated South Wilson- Pennsylvanian Gas Pool; and the SE/4 for all formations and/or pools developed on 160-acre spacing. Said units are to be dedicated to its Side Pocket "14" State Com Well No. 1 to be drilled at a standard location 1980 feet from the South line and 660 feet from the East line of Section 14 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, 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 20 miles Southeast of Halfway, New Mexico.

CASE 12552: **Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation underlying the S/2 of Section 23, Township 22 South, Range 32 East, for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Bootleg-Ridge Morrow Gas Pool and the Undesignated East Red Tank-Atoka Gas Pool. Applicant proposes to dedicate the pooled units to its Red Tank "23" Federal Com Well No. 1 to be drilled at a standard gas well location in the NW/4 SE/4 of Section 23. 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 30 miles west of Eunice, New Mexico.

Examiner Hearing – December 7, 2000

Docket No. 35-00

Page 4 of 6

CASE 12320: Continued from November 2, 2000, Examiner Hearing.

Application of Chevron U.S.A. Production Co. for Approval to convert the EMSU Wells No. 210, 212, 222, 252 and 258 to Injection in the Eunice Monument South Unit, Lea County, New Mexico. Applicant seeks approval to convert its EMSU Wells No. 210, 212, 222, 252 and 258 to injection in the Eunice Monument South Unit (EMSU). These wells are designed to improve recovery efficiency of the waterflood patterns and enhance production of the EMSU secondary recovery project. The wells are located in the following locations: No. 210 - Section 4, Unit K, Township 21 South, Range 36 East; No. 252 - Section 5, Unit I, Township 21 South, Range 36 East; No. 222 - Section 6, Unit O, Township 21 South, Range 36 East; No. 252 - Section 6, Unit W, Township 21 South, Range 36 East; No. 258 - Section 4, Unit U, Township 21 South, Range 36 East. Water will be injected into the unitized interval of the Eunice Monument Grayburg-San Andres Pool which has an upper limit of 100 feet below mean sea level or the top of the Grayburg formation, whichever is higher, to a lower limit of the base of the San Andres formation. Injection will occur at an expected maximum pressure rate of 1500 barrels of water per day and an expected maximum pressure of 750 pounds per square inch. This area is approximately one mile west-southwest of Oil Center, New Mexico

CASE 12533: Continued from November 16, 2000, Examiner Hearing.

Application of David H. Arrington Oil & Gas Inc. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp to the base of the Morrow formation underlying the N/2 of Section 26, Township 18 South, Range 24 East, for any and all formations and/or pools developed on 320-acre gas spacing within the vertical extent, including the Penasco-Morrow Gas Pool, and the Penasco Draw Permo-Penn (Cisco) Gas Pool. This unit is to be dedicated to its Yellow Stonefly "26" Federal Com Well No. 1 which will be located at an unorthodox gas well location 1980 feet from the North line and 2600 feet from the West line of this section (Unit F). 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 risk involved in this well. This unit is located approximately 9 miles south of Artesia, New Mexico.

CASE 12553: **Application of Burlington Resources Oil & Gas Company for an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant seeks approval to drill its proposed Farmington A Well No. 100 at an unorthodox coal gas well location ("off-pattern") 660 feet from the South line and 705 feet from the East line (Unit P) of Section 1, Township 29 North, Range 13 West, to be dedicated to a standard 320-acre coal-gas spacing unit consisting of the S/2 of this section for any and all coal-gas production from the Basin Fruitland Coal Gas Pool. This well is located within the City of Farmington, New Mexico.

CASE 12534: Continued from November 16, 2000, Examiner Hearing.

Application of Chesapeake Operating Inc. for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the W/2 SW/4 of Section 1, Township 16 South, Range 36 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within the vertical extent, including the Northeast Lovington-Pennsylvanian Pool. This unit is to be dedicated to its Burnett "1" Well No. 1 which will be