

DOCKET: EXAMINER HEARING - THURSDAY - DECEMBER 21, 2000

**8:15 A.M. - 2040 South Pacheco
Santa Fe, New Mexico**

Dockets Nos. 1-01 and 2-01 are tentatively set for January 11, 2001 and January 25, 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 12557: **Application of Robert L. Bayless for compulsory pooling, San Juan County, New Mexico.**
Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Basin-Dakota Pool underlying Lots 1, 2, 3, and 4 and the E/2 W/2 (W/2 equivalent) of Section 19, Township 26 North, Range 8 West, in order to form a standard 320.04-acre stand-up gas spacing and proration unit for any pool within that vertical extent with special rules providing for development on 320-acre spacing, which presently includes the Undesignated Blanco-Mesaverde and Basin-Dakota Pools. 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 unit, and a charge for the risk involved in drilling and completing the well. This unit is located approximately 14 miles north of Nageezi, New Mexico.

CASE 12558: **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 12490: **Continued from November 16, 2000, Examiner Hearing. This case will be dismissed.**

Application of Permian Resources Incorporated for produced water disposal, Lea County, New Mexico. Applicant seeks approval to re-enter the existing Harrison Well No. 2-22, located in the NE/4 SE/4 of Section 22, Township 25 South, Range 37 East, and utilize the well to dispose of produced water into the Queen formation through the open hole interval from approximately 3,218 feet to 3,366 feet. This area is located approximately 2 miles east of Jal, New Mexico.

CASE 12525: (REOPENED AND READVERTISED) Application of Cross Timbers Oil Company for compulsory pooling and an unorthodox location, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs formation to the base of the Basin-Dakota Pool underlying the following described acreage in Section 16, Township 27 North, Range 10 West, and in the following manner: (i) the E/2 to form a standard 320-acre stand-up gas spacing and proration unit for any pool within that vertical extent with special rules providing for development on 320-acre spacing, which presently includes the Undesignated Angels Peak-Gallup Associated Pool and the Basin-Dakota Pool; (ii) the SE/4 to form a standard 160-acre gas spacing and proration unit for any formation and/or pool developed on 160-acre spacing within that vertical extent; (iii) the E/2 SE/4 to form a standard 80-acre stand-up oil spacing and proration unit for any pool within that vertical extent with special rules providing for development on 80-acre spacing, which presently includes only the Undesignated Angels Peak-Gallup Associated Pool; and (iv) the SE/4 SE/4 (Unit P) to form a standard 40-acre oil spacing and proration unit for any formation and/or pool developed on 40-acre spacing within that vertical extent. These four units are to be dedicated to a single well, the applicant's proposed Federal "F" Well No. 1-E to be drilled 1300 feet from the South line and 705 feet from the East line (Unit P) of Section 16. This location is standard for both the subject 320-acre unit in the Basin-Dakota Pool and the proposed 160-acre gas unit but unorthodox for: (i) either an oil or gas well within the Undesignated Angels Peak-Gallup Associated Pool; and (ii) the proposed 40-acre oil unit. 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 Cross Timbers Operating Company as the operator of the well and units, and a charge for the risk involved in drilling and completing the well. This area is located approximately 10 miles southeast of Bloomfield, New Mexico.

CASE 12553: Continued from December 7, 2000, Examiner Hearing.

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 12559: Application of Trilogy Operating, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in accordance with Division Rule 1207.A(1)(b) seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 SE/4 of Section 1, Township 20 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools spaced on 40-acre spacing, including but not limited to the Undesignated House-San Andres Pool, House-Blinbry Pool, East Warren-Tubb Oil and Gas Pool and Undesignated D-K-Abo Pool. This unit is to be dedicated to its Howser Well No. 1 which has been drilled but not completed at a standard well location in Unit J of this section. Also to be considered will be the costs 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 applicant as the operator of the well and a charge for risk involved in this well. This unit is located approximately 2 miles south of Nadine, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.**