

CASE 12607: Application of Nearburg Producing Company for hardship gas well classification, Eddy County, New Mexico. Applicant seeks a determination that its Shelby Federal Well No. 3 (API No. 30-015-25949), located 1900 feet from the South line and 2150 feet from the West line (Unit K) of Section 12, Township 22 South, Range 24 East, McKittrick Hills-Upper Pennsylvanian Gas Pool, is a hardship gas well under Division Rule 408 that should be granted priority access to pipeline takes in order to avoid waste. This well is located approximately 13 miles west of Carlsbad, New Mexico.

CASE 12608: Application of David H. Arrington Oil and Gas, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant in the above-styled cause seeks approval of an unorthodox gas well location in the Morrow formation, Austin-Morrow Gas Pool and the Mississippian formation for its the Mayfly A14" State Com. Well No. 4 to be re-entered and re-completed from the Strawn formation at an unorthodox gas well location 1651 feet from the North line and 371 feet from the West line of said Section 14. Said well is located approximately 5 miles west of Lovington, New Mexico.

CASE 12601: Continued from February 22, 2001, Examiner Hearing.

Application of Bettis, Boyle & Stovall for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Bough C formation in the following described spacing and proration units located in Section 30, Township 9 South, Range 33 East: Lots 3 and 4 (W/2 SW/4 equivalent) to form a 79.73-acre standard spacing and proration unit for all formations and/or pools developed on 80-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Flying "M"-San Andres Pool; and Lot 3 (NW/4 SW/4 equivalent) to form a 39.82-acre standard spacing and proration unit for all formations and/or pools developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the South Flying "M"-Bough Pool. Said units are to be dedicated to a well to be drilled at a standard location in the NW/4 SW/4 of Section 30 to a depth sufficient to test all formations from the surface to the base of the Bough C 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles northeast of Caprock, New Mexico.

CASE 12561: (READVERTISED)

Application of Raptor Resources, Inc. to amend Division Order No. R-9073 and for approval of a non-standard 400-acre gas proration unit and an unorthodox infill gas well location, Lea County, New Mexico. By Division Order No. R-9073, issued in Case No. 9775 and dated December 14, 1989 [Paragraph No. (13) of Exhibit "A"], a non-standard 440-acre gas spacing and proration unit ("GPU") comprising the SE/4 of Section 17, the NE/4 of Section 20, and the N/2 NW/4 and SW/4 NW/4 of Section 21, all in Township 23 South, Range 36 East, was established for the Jalmat Gas Pool. This order further provided for the following four described wells to be dedicated to this 440-acre GPU, which is located approximately 12.5 miles southwest of Eunice, New Mexico:

(i) State "A" A/C-1 Well No. 3 (API No. 30-025-09367), located at an unorthodox gas well location 1650 feet from the North line and 330 feet from the West line (Unit E) of Section 21, which is currently plugged and abandoned;

(ii) State "A" A/C-1 Well No. 4 (API No. 30-025-09366), located at an unorthodox gas well location 330 feet from the North line and 1660 feet from the West line (Unit C) of Section 21, which

formation underlying the following described acreage in Section 32, Township 18 South, Range 24 East, and in the following manner: The S½ 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 Antelope Sink-Morrow Gas Pool; and the SW¼ 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 Southern Cross 32 State Com. Well No. 1, to be located 1650 feet from the South line and 1980 feet from the West line (Unit K) of Section 32. 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 10½ miles southeast of Hope, New Mexico.

CASE 12566: Continued from February 8, 2001 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 surface to the base of the Bone Spring formation underlying the SW¼ NE¼ of Section 24, Township 18 South, Range 30 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated North Shugart-Bone Spring Pool. The unit will be dedicated to applicant's Shugart West Fed. 24 Well No. G-2, to be drilled at an orthodox location in the SW¼ NE¼ of Section 24. 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 the well. The unit is located approximately 7 miles southeast of Loco Hills, New Mexico.

CASE 12322: (REOPENED)

In the matter of Case 12322 being reopened pursuant to the provisions of Division Order No. R-11326, which order established temporary special rules and regulations for the South McCormack-Silurian Pool in Lea County, New Mexico, including provisions for a depth bracket allowable of 230 BOPD with a limiting GOR of 2000 to 1. Operators in the South McCormack-Silurian Pool may appear and show cause why the Temporary Special Pool Rules for the pool should not be rescinded.

CASE 12551: Continued from February 8, 2001, 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 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.