

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

Equivalent) of Irregular Section 3, Township 16 South, Range 35 East, to form a non-standard 355.80-acre gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated North Shoe Bar-Atoka Gas Pool and the Undesignated North Shoe Bar-Morrow Gas Pool. Said unit is to be dedicated to Yates Daisy AFS State Well No. 2 to be drilled at a standard location 660 feet from the North and East lines of said Section 3 to a depth sufficient to test all formations from the surface to the base of the Mississippian 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 Yates Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6 miles west-northwest of Lovington, New Mexico.

CASE 12569: **(READVERTISED)**

Amended 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 Equivalent) of Irregular Section 3, Township 16 South, Range 35 East, to form a non-standard 355.80-acre gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated North Shoe Bar-Atoka Gas Pool and the Undesignated North Shoe Bar-Morrow Gas Pool. Said unit is to be dedicated to Yates Daisy AFS State Well No. 2 to be drilled at a standard location 660 feet from the North and East lines of said Section 3 to a depth sufficient to test all formations from the surface to the base of the Mississippian 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 Yates Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6 miles west-northwest of Lovington, New Mexico.

CASE 12584: **Continued from January 25, 2001, Examiner Hearing.**

Application of Conoco, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool in a 320-acre spacing unit comprised of the W/2 of Section 36, Township 29 North, Range 11 West. Said pooled unit is to be dedicated to its State "A" Gas Com Well No. 1-E to be recompleted in the Fruitland Coal formation at a previously approved unorthodox well location (Corrected Amended Administrative Order NSL-4197) 1850 feet from the North line and 800 feet from the West line of Section 36. 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 Southeast of Bloomfield, New Mexico.

CASE 12591: **Application of David H. Arrington Oil and Gas, Inc. for pool contraction, pool extension, unorthodox gas well location, and simultaneous dedication, Lea County, New Mexico.** Applicant seeks an order contracting the Townsend-Morrow Gas Pool by deleting therefrom the W/2 of Section 14, Township 16 South, Range 35 East, and extending the North Shoe Bar-Atoka Gas Pool to include these lands. Applicant also seeks an exception to Division Rule 104.C.(2)(b) to permit the simultaneous dedication of the following wells to a 320-acre spacing and proration unit in the Atoka formation comprised of the W/2 of Section 14: the Mayfly "14" State Com. Well No. 1 at a previously

approved unorthodox location 330 feet from the North and West lines; the Mayfly "14" State Com. well No. 6 (formerly the Monsanto Well No. 1) located at a standard well location 1980 feet from the South line and West lines; and the Mayfly "14" State Com. Well No. 4 to be re-completed at an unorthodox gas well location 1651 feet from the North line and 371 feet from the West line of said Section 14 in the North Shoe Bar-Atoka Gas Pool. Said wells are located approximately 5 miles west of Lovington, New Mexico.

CASE 12551: Continued from January 25, 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.

CASE 12320: Continued from January 11, 2001, 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 12571: Continued from January 11, 2001, Examiner Hearing.

Application of BWB Partners I for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation, but excluding the Wolfcamp formation, in the following described spacing and proration units in Section 23, Township 20 South, Range 35 East: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the West Osudo-Morrow Gas Pool or West Osudo-Atoka Gas Pool; and the NE/4 for all formations and/or pools developed on 160-acre gas spacing

which includes but is not necessarily limited to the Eumont Gas Pool, the Featherstone-Bone Spring Gas Pool, or the East Featherstone-Bone Spring Gas Pool. The units are to be dedicated to its Byers "23" Well No. 1 to be drilled at a standard location in Unit G of Section 23 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 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, or its designate, as the operator of the well and a charge for risk involved in this well. This unit is located approximately 20 miles southwest of Hobbs, New Mexico.

CASE 12592: Application of Texaco Exploration & Production Inc. for amendment of Division Order No. R-4442, as amended, to authorize a tertiary recovery project by the injection of carbon dioxide in its Vacuum Grayburg-San Andres Pressure Maintenance Project Area, approval of amendment of the cooperative water injection agreement between the Central Vacuum Unit and the Vacuum Grayburg-San Andres Unit, and qualification of the project for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a tertiary recovery project in its Vacuum Grayburg-San Andres Unit Pressure Maintenance Project Area by the injection of carbon dioxide into the Grayburg and San Andres formations in the Vacuum-Grayburg-San Andres Pool. The Vacuum Grayburg-San Andres Pressure Maintenance Project encompasses portions of Section 35 of Township 17 South, Range 34 East and portions of Sections 1, 2, 11 and 12 of Township 18 South, Range 35 East. Applicant also seeks to increase the approved surface injection pressure for carbon dioxide injection in this project area to 1850 pounds. Applicant further seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said unit is located approximately 22 miles northwest of Hobbs, New Mexico.

CASE 12561: Continued from January 25, 2001, Examiner Hearing.

Application of Raptor Resources, Inc. to amend Division Order No. R-9073 and for approval of a non-standard 480-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 is currently plugged and abandoned;

(iii) State "A" A/C-1 Well No. 5, located at an unorthodox gas well location 1320 feet from the North line and 660 feet from the East line (Units A/H) of Section 20, which is also plugged and abandoned; and

(iv) State "A" A/C-1 Well No. 39 (API No. 30-025-09358), located at an unorthodox gas well location 1980 feet from the South and East lines (Unit J) of Section 17.

The applicant in this matter, Raptor Resources, Inc. seeks to expand this unit to include the 40 acres comprising the SE/4 NW/4 of Section 21 thereby forming a non-standard 480-acre GPU. Further, the applicant seeks an exception to the well location requirements provided within the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, for an unorthodox Jalmat infill gas well location within this 480-acre GPU for its existing State "A" A/C-1 Well No. 6 (API No. 30-025-09369), located 2310 feet from the North line (which is 66.7 % closer to the outer boundary of the proposed GPU then allowed) and 1650 feet from the West line (Unit F) of Section 21. Both the State "A" A/C-1 Wells No. 6 and 39 are to be dedicated to this GPU.

FURTHER, the applicant, in conjunction with this matter, shall appear before the Division and present evidence as to the existence of two producing Jalmat oil well applications within this existing 440-acre GPU [(i) the Primal Energy Corporation operated State "20" Well No. 1 (API No. 30-025-28421), located 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 20; and (ii) Mirage Energy, Inc.'s State "SN" Well No. 1 (API No. 30-025-28784), located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 17), which appear to be in violation of Rule 2 (a) 3 of the special Jalmat Pool rules, and to seek the necessary relief under the applicable rules.

CASE 12579: Continued from January 25, 2001, Examiner Hearing.

Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 22, Township 21 South, Range 26 East, in the following manner: the E/2 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 Undesignated Avalon-Wolfcamp Gas Pool, Undesignated Avalon-Upper Pennsylvanian Gas Pool, Undesignated Avalon-Strawn Gas Pool, Undesignated Crozier Bluff-Atoka Gas Pool, and Undesignated Avalon-Morrow Gas Pool; and the NE/4 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 Carlsbad 22 "H" Fee Com. Well No. 2, located 1350 feet from the North line and 660 feet from the East line (Unit H) of Section 22. Also to be considered will be the cost of re-entering 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 re-entering and completing the well. The units are located approximately 4 miles northwest of Carlsbad, New Mexico.

CASE 12580: Continued from January 25, 2001, Examiner Hearing.

Application of Pogo Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Section 24, Township 20 South, Range 26 East, in the following manner: All of the section for all pools or formations developed on 640-acre spacing within that vertical extent, including the McMillan-Morrow Gas Pool; the S/2 of the section for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated McMillan-Cisco Gas Pool and the Undesignated Northeast Springs-Strawn Gas Pool; the SE/4 of the section for all pools or formations developed on 160-acre spacing within that vertical extent; and the SE/4 SE/4 of the section for all pools or formations developed on 40-acre spacing within that vertical extent. The units are to be

dedicated to the McMillan State "24" Well No. 1, to be drilled at an orthodox location 660 feet from the South and East lines 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 and completing the well. The units are located approximately 5½ miles southeast of Seven Rivers, New Mexico.

CASE 12581: Continued from January 25, 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 from the top of the Strawn formation to the base of the Morrow formation underlying the E/2 of Section 32, Township 15 South, Range 32 East, 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 Anderson Ranch-Morrow Gas Pool. The unit is to be dedicated to the Anderson Ranch "32" State Well No. 2, to be drilled at an orthodox gas well location 1330 feet from the South line and 1980 feet from the East line 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 Nearburg Producing Company as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 8½ miles north-northeast of Maljamar, New Mexico.

CASE 12536: Continued from January 25, 2001, Examiner Hearing.

Application of Concho 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 Morrow 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 January 25, 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 SW/4 NE/4 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 SW/4 NE/4 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 12501: Continued from January 25, 2001, Examiner Hearing.

Application of Santa Fe Snyder Corporation for pool creation and special pool rules, Eddy County, New Mexico. Applicant seeks the creation of the North Hackberry-Bone Spring Pool, covering the SE/4 of Section 6, Township 19 South, Range 31 East, and the promulgation of Special Pool Rules for the North Hackberry-Bone Spring Pool, including provisions for 160-acre spacing, special well location requirements, and a gas:oil ratio of 30,000 cubic feet of gas for each barrel of oil produced. The proposed pool is centered approximately 10 miles southeast of Loco Hills, New Mexico.

CASE 12500: Continued from January 25, 2001, Examiner Hearing.

Application of Southwestern Energy Production Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the following described acreage in Section 31, Township 17 South, Range 28 East, and in the following manner: The N/2 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 Undesignated Southeast Logan Draw-Atoka Gas Pool and Undesignated North Illinois Camp-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Logan Draw-Wolfcamp Gas Pool; and the NE/4 NE/4 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 Logan Draw-Wolfcamp Pool. The units are to be dedicated to applicant's Big Bluff "31" State Com. Well No. 1, to be drilled at an orthodox location 660 feet from the North and East lines of Section 31. 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 11½ miles southeast of Artesia, New Mexico.