

CASE 12641: Continued from April 19, 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 11, Township 16 South, Range 27 East, in the following manner: the W/2 for any formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Diamond Mound-Morrow Gas Pool; and the SW/4 for any formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Undesignated Southeast Diamond Mound-Grayburg Gas Pool. Said units are to be dedicated to its Fargo "11" Federal Well No. 1 to be drilled at a standard location 660 feet from the South and West lines (Unit M) of said Section 11. 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 12 miles northeast of Artesia, New Mexico.

De Novo

CASE 12635: ~~Continued from April 19, 2001, Examiner Hearing.~~

Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the base of the Pictured Cliffs formation to the base of the Mesaverde formation in the S/2 of Section 25, Township 25 North, Range 3 West, for all formations and or pools developed on 320-acre spacing, which include but are not necessarily limited to the Mesaverde formation, Blanco-Mesaverde Gas Pool. Said units are to be dedicated to its Naomi Well No. 1 (formerly the Wynona Well No. 1) at a previously approved unorthodox gas well location 1650 feet from the South line and 450 feet from the West line of said Section 25, to be reentered and recompleted in the Mesaverde 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 5 miles southwest of Lindrieth, New Mexico.

Upon application of D. J. Simmons, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 12664:

Application of Amoco Production Company for exceptions to the well density and location provisions of the special rules governing both the Basin-Dakota and Blanco-Mesaverde Pools, San Juan County, New Mexico. The applicant in this matter proposes to drill its E. E. Elliott "B" Well No. 8-M 770 feet from the South line and 2420 feet from the East line (Unit O) of Section 27, Township 30 North, Range 9 West, as an infill gas well in both the Blanco-Mesaverde and Basin-Dakota Pools within an existing standard 320-acre lay-down gas spacing and proration unit comprising the S/2 of Section 27 (which is located approximately two miles north of Turley, New Mexico.) Applicant seeks exceptions to: (i) Rule I.B (2) (b) of the "Special Rules for the Blanco-Mesaverde Pool," as promulgated by Division Order No. R-10987-A, in order to drill and complete this well within the same quarter-quarter section as its E. E. Elliott "B" Well No. 1-A (API No. 30-045-22194), located at a standard infill gas well location 875 feet from the South line and 1450 feet from the East line (Unit O) of Section 27; (ii) Rule I.B (2) (c) of the special Blanco-Mesaverde pool rules in order to drill and complete the proposed E. E. Elliott "B" Well No. 8-M within the same quarter section as the above-described E. E. Elliott "B" Well No. 1-A and E. E. Elliott "B" Well No. 8-E (API No. 30-045-26299), located at a standard infill gas well location 1560 feet from the South line and 1070 feet from the East line (Unit I) of Section 27; and (iii) the well location requirements provided within the "Special Rules and Regulations for the Basin-Dakota Pool," as promulgated by

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 12662: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in the following described spacing and proration unit in Section 26, Township 18 South, Range 24 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 Undesignated Penasco Draw-Morrow Gas Pool and the Undesignated Penasco Draw-Permo Pennsylvanian Gas Pool. Said unit is to be dedicated to applicant's Poco Mesa "26" State Com Well No. 1 to be drilled at an unorthodox location (administrative approval pending) 1980 feet from the South line and 2400 feet from the West line (Unit K) of said Section 26 to a depth sufficient to test all formations from the surface to the base of the Pennsylvanian 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 8 miles southwest of Artesia, New Mexico.

CASE 12647: **Continued from May 3, 2001, Examiner Hearing.**

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 8, Township 17 South, Range 37 East as follows: the S/2 NW/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Shipp-Strawn Pool; and the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Midway-Devonian Pool. Said units are to be dedicated to its Midway "8" Well No. 1 to be drilled at an unorthodox Strawn well location 1650 feet from the North line and 990 feet from the West line of said Section 8 to a depth sufficient to test all formations from the surface to the base of the Devonian 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 8 miles southeast of Lovington, New Mexico.

CASE 12663: **Application of David H. Arrington Oil and Gas, Inc. for an unorthodox oil well location and simultaneous dedication, Lea County, New Mexico.** Applicant seeks approval to re-complete its existing Mayfly "14" State Well No. 7 located at an unorthodox location 330 feet from the North and East lines (Unit A) of Section 14, Township 16 South, Range 35 East, for production from the Strawn formation, North Shoe Bar-Strawn Pool and for simultaneous dedication of this well to the previously approved 160-acre oil spacing and proration unit consisting of the NE/4 of said Section 14. This well is located approximately 3 miles west of Lovington, New Mexico.