DOCKET: EXAMINER HEARING - THURSDAY - JULY 26, 2001 8:15 A.M. - 1220 South St. Francis Santa Fe, New Mexico

Docket Nos. 26-01 and 27-01 are tentatively set for August 9, 2001 and August 23, 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 12697:

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 SW/4 NE/4 of Section 24, Township 19 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 South Nadine-Seven Rivers-Yates Pool, Nadine-Blinebry Pool, Nadine-Tubb Pool, and Nadine-Drinkard-Abo Pool. This unit is to be dedicated to its Sapphire Well No. 1 which has been drilled but not completed at a standard well location in Unit G 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 northeast of Nadine, New Mexico. IN THE ABSENCE OF OBJECTION THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

CASE 12698:

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Yates formation to the base of the Morrow formation underlying the following described acreage in Section 15, Township 21 South, Range 27 East, and in the following manner: The E/2 of Section 15 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 East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Burton Flat-Strawn Gas Pool, and Burton Flat-Morrow Gas Pool; the SE/4 of Section 15 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 but not limited to the Undesignated East Avalon-Bone Spring Gas Pool; and the NW/4 SE/4 of Section 15 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 La Huerta-Delaware Pool, Undesignated East Avalon-Bone Spring Pool, and Undesignated East Carlsbad-Bone Spring Pool. The units are to be dedicated to applicant's Esperanza "15" St. Com. Well No. 1, to be drilled at an unorthodox gas well location 2232 feet from the South line and 1980 feet from the East line 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 the risk involved in drilling and completing the well. The units are located approximately 51/2 miles northeast of Carlsbad, New Mexico.

CASE 12699:

Application of Ocean Energy 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 Mississippian formation underlying the E/4 of Section 10, Township 16 South, Range 27 East, 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 North Duffield-Strawn Gas Pool, Diamond Mound-Atoka Gas Pool, and Diamond Mound-Morrow Gas Pool. The unit is to be dedicated to applicant's Cook Fed. Com. 10 Well No. 2, to be drilled at an orthodox location in the SE/4 SE/4 of Section 10. The unit will be simultaneously dedicated, in the Morrow formation, to the proposed well and the existing Cook Fed. Com. 10 Well No. 1, located in the S/2 NE4 of the section. 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

Examiner Hearing – July 26, 2001 Docket No. 24-01 Page 2 of 9

well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 10½ miles northeast of Artesia, New Mexico.

CASE 12700:

Application of Exco Resources, Inc. for compulsory pooling, Chaves County, New Mexico.

Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the following described acreage in Section 19, Township 5 South, Range 25 East, in the following manner: the SW/4 to form a standard 160-acre spacing unit for all formations and/or pools developed on 160-acre spacing within that vertical extent which presently includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool, SW/4 SW/4 to form a standard 40-acre spacing and proration unit for any and all formations and or pools developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to applicant's proposed Rose Federal Well No. 14 to be located at a standard location in Unit M of this section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling and completing this well. This unit is located approximately 48 miles north and east of Roswell, New Mexico.

CASE 12701:

Application of Exco Resources, Inc. for compulsory pooling, Chaves County, New Mexico.

Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the following described acreage in Section 20, Township 5 South, Range 25 East, in the following manner: the NW/4 to form a standard 160-acre spacing unit for all formations and/or pools developed on 160-acre spacing within that vertical extent which presently includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool, SW/4 NW/4 to form a standard 40-acre spacing and proration unit for any and all formations and or pools developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to applicant's proposed Rose Federal Well No. 15 to be located at a standard location in Unit E of this section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling and completing this well. This unit is located approximately 48 miles north and east of Roswell, New Mexico.

CASE 12702:

Application of Exco Resources, Inc. for compulsory pooling, Chaves County, New Mexico.

Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the following described acreage in Section 20, Township 5 South, Range 25 East, in the following manner: the SW/4 to form a standard 160-acre spacing unit for all formations and/or pools developed on 160-acre spacing within that vertical extent which presently includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool, SW/4 SW/4 to form a standard 40-acre spacing and proration unit for any and all formations and or pools developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to applicant's proposed Rose Federal Well No. 16 to be located at a standard location in Unit M of this section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for risk involved in drilling and completing this well. This unit is located approximately 48 miles north and east of Roswell, New Mexico.

CASE 12179: Reopened

In the matter of Case 12179 being reopened pursuant to the provisions of Division Order No. R-11208, which order promulgated temporary special pool rules for the East Hobbs-San Andres Pool