

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 20, 2001

**8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico**

Docket Nos. 32-01 and 33-01 are tentatively set for October 4, 2001 and October 18, 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 12726: Application for Order Shutting In Wells, Canceling Allowables and Assessing Civil Penalties, Eddy County, New Mexico. Applicant seeks an order shutting in 18 wells in Eddy County, New Mexico, and canceling their allowables until such time as Tom R. Cone, who has applied to the Division to assume operation of these wells files the additional bonds required by the Division, and assessing civil penalties against Cone for producing these wells without Division approval. The affected wells are the following, all of which are located in Eddy County, New Mexico:

<u>Well</u>	<u>API No.</u>	<u>Twsp</u>	<u>Range</u>	<u>Sec</u>	<u>Unit</u>
Carper Johnson A No. 2	30-015-05004	16S	31E	35	H
Federal 13 No. 1	30-015-04597	19S	30E	13	E
Federal 13 No. 2	30-015-04599	19S	30E	13	F
Kennedy Johnson A No. 1	30-015-05008	16S	31E	35	F
Kennedy Johnson A No. 2	30-015-05009	16S	31E	35	H
Kennedy Johnson A No. 3	30-015-05010	16S	31E	35	L
Kennedy Johnson A No. 6	30-015-10165	16S	31E	35	M
North Shugart Queen Unit No. 1	30-015-05597	18S	31E	21	C
North Shugart Queen Unit No. 2	30-015-05592	18S	31E	21	D
North Shugart Queen Unit No. 3	30-015-05588	18S	31E	20	H
North Shugart Queen Unit No. 4	30-015-05591	18S	31E	21	E
North Shugart Queen Unit No. 5	30-015-05593	18S	31E	21	F
North Shugart Queen Unit No. 6	30-015-05598	18S	31E	21	K
North Shugart Queen Unit No. 7	30-015-05599	18S	31E	21	L
North Shugart Queen Unit No. 8	30-015-05586	18S	31E	20	I
North Shugart Queen Unit No. 9	30-015-05587	18S	31E	20	P
North Shugart Queen Unit No. 10	30-015-05590	18S	31E	21	M
North Shugart Queen Unit No. 11	30-015-05600	18S	31E	21	N

CASE 12711: Continued from September 6, 2001, Examiner Hearing.

Application of David H. Arrington Oil & Gas Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the E/2 of Section 19, Township 15 South, Range 35 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 East Morton-Morrow Gas Pool. The unit is to be dedicated to applicant's Lou's Hopper Well No. 1, to be drilled at an orthodox location in the NW/4 NE/4 of Section 19. 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 unit is located approximately 7 miles northwest of Lovington, New Mexico.

CASE 12727: Application of David Petroleum Corporation and Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicants seek an order pooling all mineral interests from the surface to the base of the Mississippian formation in the E/2 of Section 19, Township 15 South, Range 35 East to form a standard 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 East Morton-Morrow Gas Pool. Said unit is to be dedicated to the Friend "AZM" Com Well No. 1 to be drilled at a standard location 660 feet from the North line and 1980 feet from the East line of said Section 19 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 7 miles northwest of Lovington, New Mexico.

CASE 11986: (Reopened) Continued from August 23, 2001, Examiner Hearing.

In the matter of Case 11986 being reopened pursuant to the provisions of Division Order No. R-11059, which order promulgated temporary special rules and regulations for the Tatum-Upper Pennsylvanian Pool in Lea County, New Mexico, including provisions for 80-acre spacing and designated well locations. Operators in the Tatum-Upper Pennsylvanian Pool may appear and show cause why the temporary special pool rules for the pool should not be rescinded.

CASE 12179: (Reopened) Continued from August 23, 2001, Examiner Hearing.

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 in Lea County, New Mexico. Operators in the East Hobbs-San Andres Pool should be prepared to appear and show cause why the top oil allowable rate of 160 barrels of oil per day for the pool should not be rescinded.

CASE 12705: Continued from September 6, 2001, Examiner Hearing.

Application of D.J. Simmons, Inc. for Compulsory Pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mesaverde formation in the E/2 of Section 25, Township 25 North, Range 3 West, for all formations and/or pools developed on 320-acre spacing, including, but not necessarily limited to, the Mesaverde formation, Blanco-Mesaverde Gas Pool. Said unit is to be dedicated to Applicant's Bishop Federal 25-1 well to be drilled at a standard location in the NE/4 of said Section 25 to a depth sufficient to test all formations in the pooled intervals, as well as the Chacra formation and the Gallup-Dakota formation, West Lindrith Gallup-Dakota Oil pool. 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 and a charge for the risk involved in drilling said well. The unit is located approximately 5 miles southwest of Lindrith, New Mexico.

CASE 12728: Application of Energen Resources Corporation for a non-standard gas spacing and proration unit and an unorthodox coal gas well location, Rio Arriba County, New Mexico. Applicant seeks to establish a non-standard 355.25-acre gas spacing and proration unit in the Basin-Fruitland Coal (Gas) Pool comprising all of irregular Sections 18 and 19, Township 32 North, Range 5 West, which