

Lots 1 through 4 of Section 6, Township 25 North, Range 2 West, for all formations and/or pools developed on 320-acre spacing. Said unit is to be dedicated to a well to be drilled to a depth sufficient to test the Mesaverde formation, Blanco-Mesaverde Gas Pool, at a standard location in the NW/4 of said Section 5. Said area is located approximately 11 miles northwest of Lindrith, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12743: Application of Texaco Exploration and Production Inc. for an unorthodox subsurface gas well location and an exception to Division Rule 104.D (3), Lea County, New Mexico. Applicant, in accordance with Division Rule 111.C (2), seeks an exception to Division Rule 104.C (3) for its C. H. Weir "A" Well No. 7 (API No. 30-025-06073), located at a standard surface gas well location 1985 feet from the South line and 660 feet from the West line (Unit L) of Section 12, Township 20 South, Range 37 East, to be recompleted into the Skaggs-Abo Gas Pool (85410) by kicking-off in a northern direction and drilling horizontally an approximate distance of 1,645 feet within an existing non-standard 160-acre gas spacing unit comprising the S/2 NW/4 and N/2 SW/4 of Section 12 (approved by Division Order No. R-7179, issued in Case No. 7761 on January 5, 1983) such that the resulting producing area extends to within 330 feet to the northern boundary of this unit. Further, the applicant seeks an exception to Division Rule 104.D (3) in order to simultaneously dedicate Skaggs Abo gas production from the above-described C. H. Weir "A" Well No. 7 with the existing C. H. Weir "A" Well No. 14 (API No. 30-025-27829), located at a standard gas well location 1980 feet from the South line and 1815 feet from the West line (Unit K) of Section 12. This unit is located approximately nine miles southwest of Hobbs, New Mexico.

CASE 12736: Continued from October 4, 2001, Examiner Hearing.

Application of KUKUI Operating Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an exception to Division Rule 104.C (2) for its proposed Goodnight "35" Federal Well No. 3 (API No. 30-015-31865) to be drilled at an unorthodox gas well location 440 feet from the South line and 660 feet from the West line (Unit M) of Section 35, Township 23 South, Range 29 East. The S/2 of Section 35 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Wolfcamp (Laguna Grande-Wolfcamp Gas Pool), Strawn, Atoka, and Morrow formations. This unit is located approximately 8.5 miles east by south of Loving, New Mexico.

CASE 12744: Application of TMBR/Sharp Drilling, Inc. appealing to the Director of the New Mexico Oil Conservation Division the Hobbs District Supervisor's decision denying approval of two applications for permit to drill ("APDs") filed by TMBR/Sharp Inc., Lea County, New Mexico. Applicant requests that the Director order the District Supervisor to approve TMBR/Sharp's permit to drill its Blue Fin 25 Well No. 1 to be dedicated to a 320-acre spacing unit consisting of the W/2 of Section 25, Township 16 South, Range 35 East and TMBR/Sharp's permit to drill its Leavelle 23 Well No. 1 to be dedicated to a 320-acre spacing unit consisting of the E/2 of Section 23, Township 16 South, Range 35 East. These wells are located approximately 5 miles southwest of the center of the City of Lovington, New Mexico.

CASE 12745: Application of Burlington Resources Oil & Gas Company and Conoco Inc. to amend the Special Rules and Regulations for the Basin-Dakota Gas Pool to increase well density and amend well location requirements, San Juan, McKinley, Sandoval and Rio Arriba Counties, New Mexico. Applicant seeks the amendment of the Special Rules and Regulations for the Basin-Dakota Gas Pool to authorize wells to be drilled anywhere in a standard 320-acre gas proration and spacing unit provided

such wells are located no closer than 660 feet to the outer boundary of the spacing unit nor closer than 10 feet from any interior quarter, quarter-quarter section line or boundary and to increase the well density from the current maximum of two (2) wells (160-acre infill) provided in Order R-8170 to a maximum of four (4) wells (30-acre infill) per gas proration and spacing unit for wells dedicated to the Basin-Dakota Gas Pool. In addition, Applicant seeks special well location requirements applicable to federal exploratory units providing for standard well locations not closer than 10 feet to the outer boundary of certain qualifying spacing units within those units.

CASE 12705: Continued from September 20, 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 12734: Continued from October 4, 2001, Examiner Hearing.

Application of Richardson Operating Company to establish a Special "Infill Well" Area within the Basin-Fruitland Coal Gas Pool as an exception from Rule 4 of the special rules for this pool, San Juan County, New Mexico. Applicant seeks the establishment of a Special "Infill Well" Area consisting of Section 36 of Township 30 North, Range 15 West, Section 1 of Township 29 North, Range 15 West, Sections 16, 19, 20, 21, 28 through 33 of Township 30 North, Range 14 West, Sections 4, 5 and 6 of Township 29 North, Range 14 West within the Basin-Fruitland Coal Gas Pool, as an exception from Rule 4 of the Special Rules and Regulations for this pool to allow the drilling of a second well within a standard 320-acre spacing unit. The Special "Infill Well" Area is located approximately 2 miles north of Kirkland, New Mexico.