

General Rule 505-D for the West Lost Tank-Delaware Pool located in portions of Sections 33 and 34 of Township 21 South, Range 31 East and Sections 4 and 5 of Township 22 South, Range 31 East, whereby the pool wide allowable would be based on the deepest perforation (rather than the shallowest perforation as provided for in General Rule 505-A) in the wells completed in the pool. Said pool area is located approximately 17 miles southeast of Halfway, New Mexico.

CASE 12751: Application of Yates Petroleum Corporation for pool creation and special pool rules including special spacing and well location requirements and a special oil depth bracket allowable, Chaves County, New Mexico. Applicant seeks the creation of a new pool, to be known as the Pecos Slope Deep Oil Pool, as the result of the discovery of oil in its George "QJ" Federal Well No. 10 located 660 feet from the South line and 1500 feet from the West Line of Section 26, Township 6 South, Range 25 East. The pool boundaries for this new oil pool should include the W/2 of Section 26, Township 6 South, Range 25 East, and it should include all formations below the base of the Abo formation. Applicant also seeks the adoption of Special Pool Rules and Regulations for the pool including 320-acre oil well spacing, a pre-approved infill well in the quarter section not containing the original well and, pursuant to Division General Rule 505-D, a special depth bracket allowable of 694 barrels of oil per day. Said pool area is located approximately 26 miles north of Roswell, New Mexico.

CASE 12743: Continued from October 18, 2001, Examiner Hearing.

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 12752: Application of David H. Arrington Oil and 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 Lots 1-4 and the E/2 W/2 (W/2 equivalent) of irregular Section 31, Township 15 South, Range 36 East, in the following manner: Lots 1-4 and the E/2 W/2 (W/2 equivalent) to form a standard 320.56-acre stand-up gas spacing and proration unit for any formation and/or pool developed on 320-acre spacing within that vertical extent; the SW/4 to form a standard 160-acre gas spacing and proration unit for any formation and/or pool developed on 160-acre spacing within that vertical extent; and the SW/4 NW/4 (Unit E) to form a standard 40-acre oil spacing and proration unit for any formation and/or pool developed on 40-acre spacing within that vertical extent, which presently includes but is not necessarily limited to the Undesignated Caudill-Permo Upper Pennsylvanian Pool and the Undesignated Townsend-Permo Upper Pennsylvanian Pool. These spacing and proration units are to be dedicated to Arrington's proposed Royal Stimulator "31" Well No. 2 which it proposes to drill as a straight hole at a surface location 2235 feet from the North line

and 330 feet from the West line (Unit E) of said Section 31 to a depth sufficient to test the Wolfcamp formation, and then directionally drill the well in a southeasterly direction to a standard bottomhole location 1900 feet from the South line and 1300 feet from the West Line (Unit L) of said Section 31 to a depth sufficient to test 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately one mile north of Lovington, New Mexico.

CASE 12753: **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 W/2 of Section 36, Township 16 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 South Shoe Bar-Morrow Gas Pool and Undesignated Shoe Bar-Mississippian Gas Pool. The unit is to be dedicated to applicant's Double Hackle Drake "36' State Well No. 1, to be drilled at an orthodox location in the NW/4 NW/4 of Section 36. 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 6 miles southwest of Lovington, New Mexico.

CASE 12754: **Application of Southwestern Energy Production Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the following described acreage in Section 21, Township 17 South, Range 35 East, in the following manner: the N/2 of Section 21 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 South Shoe Bar-Atoka Gas Pool; and the SE/4 NW/4 of Section 21 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. The unit is to be dedicated to applicant's Electrolux "21" St. Com. Well No. 1, to be drilled at an orthodox gas well location in the SE/4 NW/4 of Section 21. 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 3 miles northeast of Buckeye, New Mexico.

CASE 12755: **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from 500 feet below the top of the San Andres formation to the base of the Morrow formation underlying Lots 1-4 and the E/2 W/2 (the W/2 equivalent) of Section 18, Township 18 South, Range 29 East, in the following manner: Lots 1-4 and the E/2 W/2 (the W/2 equivalent) of Section 18 to form a non-standard 332.48-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 West Millman-Wolfcamp Pool, Millman-Strawn Gas Pool, and Undesignated South Millman-Morrow Gas Pool; and Lots 3, 4, and the E/2 SW/4 (the SW/4 equivalent) of Section 18 to form a non-standard 166.12-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent. The unit is to be dedicated to applicant's Remington "18" St. Com. Well No. 2, to be drilled at an orthodox location in the SE/4 SW/4 of Section 18. 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 9½ miles southwest of Loco Hills,