

seeks an exception to Division Rule 104.C.(2)(b) to permit the simultaneous dedication of the following wells to an existing 233.79-acre spacing and proration unit in the Morrow formation, Undesignated Little Box Canyon-Morrow Gas Pool, comprised of irregular Section 31, Township 20.5 South, Range 22 East:

- A. the Sweet Thing Federal Unit Well No. 5 to be drilled to test the Morrow A Zone at a location 660 feet from the North line and 1800 feet from the West line; and
- B. the Sweet Thing Federal Unit Well No. 2 which produces from the Morrow B Zone located at a standard gas well location 660 feet from the North and West lines.

Said wells are located approximately 20 miles south of Hope, New Mexico.

CASE 12764: Continued from December 6, 2001, Examiner Hearing.

Application of Discovery Exploration for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Lowe Exploratory Unit for an area comprising 80 acres of fee lands in Sections 28 and 29, Township 12 South, Range 38 East, which is located approximately 11 miles east of Tatum, New Mexico.

CASE 12765: Continued from December 6, 2001, Examiner Hearing.

Application of Discovery Exploration for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location in the Devonian formation, Trinity-Devonian Pool, for its Lowe Well No. 1 to be drilled at an unorthodox gas well location 2300 feet from the South line and 100 feet from the East line of Section 29, Township 12 South, Range 38 East. Said well is located approximately 11 miles east of Tatum, New Mexico.

CASE 12789: 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 units in Section 4, Township 19 South, Range 31 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 Shugart-Morrow Gas Pool, and the Undesignated Gatuna Canyon-Atoka Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; the W/2 SW/4 for all formations and/or pools developed on 80-acre spacing, and the SW/4 SW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool. Said unit is to be dedicated to its Red Cloud "4" Federal Com Well No. 1 to be drilled at a standard location 660 feet from the South line West lines of said Section 4 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, provisions governing subsequent operations on the pooled units, 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 11 miles southeast of Loco Hills, New Mexico.

CASE 12790: Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 17, Township 20 South, Range 34 East as follows: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool, Undesignated South Quail Ridge-Atoka

Gas Pool, and the Undesignated Lea Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing ; the W/2 NW/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Featherstone-Bone Springs Pool, and the NW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Southeast Teas-Delaware Pool, Undesignated Teas-Bone Springs Pool and the Undesignated Teas Yates-Seven Rivers Pool Said well is to be dedicated to its Mesquite “17” Federal Well No. 1 to be drilled at a standard location 660 feet from the North and West lines of said Section 17 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, provisions governing subsequent operations on the pooled units, 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 9 miles East of Halfway, New Mexico.

CASE 12791: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 31, Township 18 South, Range 34 East as follows: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Quail Ridge-Morrow Gas Pool, the Undesignated West La Rica-Morrow Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre; the N/2 SE/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated EK-Bone Springs Pool, and the NE/4 SE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated EK-Delaware Pool. Said unit is to be dedicated to its Wapiti “31” State Com Well No. 1 to be drilled at a standard location 1650 feet from the South line and 660 feet from the East line of said Section 31 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, provisions governing subsequent operations on the pooled units, 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 12 miles northeast of Halfway, New Mexico.

CASE 12773: **Continued from December 6, 2001, Examiner Hearing.**

Application of KUKUI Operating Company for compulsory pooling and a non-standard gas spacing and proration unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface through the base of the Morrow formation in the following described non-standard spacing and proration unit located in irregular Section 6, Township 16 South, Range 35 East, comprised of Lots 1, 2, 7, 8, 9, 10, 15 and 16 containing 329.83 acres for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Eidson-Morrow Gas Pool. This pooled unit is to be dedicated to KUKUI’s DeGas “6” State Com Well No. 1 to be drilled at a standard location 1980 feet from the North line and 1200 feet from the East line of said Section 6 to a depth sufficient to test any and all formations from the surface through the Morrow formation. Also to be considered will be the cost of drilling and completing said well, the allocation of the cost thereof as well as actual operating costs and charges for supervision, provisions governing subsequent operations on the pooled unit, designation of applicant as operator of the well, and a charge for risk involved in drilling said well. Said area is located approximately 8 miles West of Lovington, New Mexico.