

DOCKET: EXAMINER HEARING - THURSDAY – JANUARY 24, 2002

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 03-02 and 04-02 are tentatively set for February 7, 2002 and February 21, 2002. 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 12795:** Application of Chaparral Energy, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.C (2) for its existing Crosby Deep Well No. 1 (API No. 30-025-23891), to be recompleted up-hole into the Devonian formation at an unorthodox gas well location 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 28, Township 25 South, Range 37 East. The SW/4 of Section 28 is to be dedicated to this well in order to form a standard 160-acre gas spacing and proration unit for the Crosby-Devonian Gas Pool. This unit is located approximately two miles east of Jal, New Mexico.
- CASE 12796:** Application of San Juan Resources, Inc. for compulsory pooling and downhole commingling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Pictured Cliffs to the top of the Dakota formations underlying the S/2 of Section 19, Township 30 North, Range 11 West, forming a standard 327.7-acre gas spacing and proration unit to be dedicated to its Kaempf Well No. 1E which is to be located at a standard gas well location within Unit I of this section for downhole commingled production from the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool. Also to be considered will be the costs of participation in this well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefore as well as actual operating costs and charges for supervision, and the designation of applicant as the operator of the well. This well is located approximately 2 miles east of Flora Vista, New Mexico.
- CASE 12797:** Application of Richardson Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SW/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the S/2 of Section 17, Township 29 North, Range 13 West, forming standard 160-acre and 320-acre spacing and proration units, respectively. The units are to be dedicated to its RPC "17" Well No. 3 which is to be located in Unit M of Section 17 for downhole commingled production from the Pictured Cliffs formation and the Basin-Fruitland Coal Gas Pool. Also to be considered will be the costs of participation in the well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, and the designation of Richardson Operating Company as the operator of the well. The well is located approximately 1-1/2 miles west from the Center of the City of Farmington, New Mexico.
- CASE 12798:** Application of Richardson Production Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Pictured Cliffs formation underlying the SE/4 of Section 17, Township 29 North, Range 13 West, forming standard 160-acre spacing and proration unit to be dedicated to its RPC "17" Well No. 4 which is to be located at an unorthodox gas well location in Unit O of Section 17 for production from the Pictured Cliffs formation. Also to be considered will be the costs of participation in the well, including but not limited to the costs of drilling, completing and equipping, with the inclusion of a risk factor penalty and the allocation of those costs and income therefor as well as actual operating costs and charges for supervision, and the designation of Richardson Operating Company as the operator of the well. The well is located approximately 1-1/4 miles west from the Center of the City of Farmington, New Mexico.

**CASE 12799:** Application of Holcomb Oil & Gas, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface through the base of the Pictured Cliffs formation underlying the SW/4 of Section 4, Township 25 North, Range 3 West, for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Tapicito-Pictured Cliffs Gas Pool. This pooled unit is to be dedicated to the McCroden B Well No. 1 which is located at a standard location 1850 feet from the South and West lines of said Section 4. 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, designation of applicant as operator of the unit, and provisions governing subsequent operations on the pooled unit. Said area is located approximately 11 miles Northwest of Lindrith, New Mexico.

**CASE 12540:** Reopened

In the matter of Case 12540 being reopened pursuant to the provisions of Division Order No. R-11526, which order promulgated temporary special pool rules for the Arena Blanca-Entrada Pool in McKinley County, New Mexico. Operators in the Arena Blanca-Entrada Pool should appear and show cause why the temporary special rules for the pool should not be rescinded.

**CASE 12753:** Continued from January 10, 2002, 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 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 12800:** Application of David H. Arrington Oil and Gas, Inc. to amend Order No. R-11667 to approve an unorthodox gas well location, Lea County, New Mexico. Applicant seeks to amend Order No. R-11667 to approve the drilling of its proposed Double Hackle "31" State Com. Well No. 1 from the surface to the base of the Mississippian formation at an unorthodox gas well location in the NW/4 SW/4 (Unit L) of Section 31, Township 16 South, Range 36 East. Said well is to be dedicated to the 308.84-acre W/2 stand up gas spacing and proration unit established by Order No. R-11667 for all formations and/or pools developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated East Shoe Bar-Chester Gas Pool. Said area is located approximately 4 miles southwest of Lovington, New Mexico.

**CASE 12747:** Continued from December 20, 2001, Examiner Hearing.

Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the base of the Pictured Cliffs formation to the base of the Mesaverde formation in the N/2 of Section 25, Township 25 North, Range 3 West, for all formations and/or pools developed on 320-acre spacing,