

DOCKET: EXAMINER HEARING - THURSDAY – March 7, 2002

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

Santa Fe, New Mexico

Docket Nos. 08-02 and 09-02 are tentatively set for March 21, 2002 and April 4, 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 12813: Continued from February 21, 2002, Examiner Hearing.

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 NE/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the E/2 of Section 7, Township 29 North, Range 14 West, forming standard 160-acre and 320-acre spacing and proration units, respectively. These units are to be dedicated to its ROPCO "7" Well No. 1 which is to be located in Unit B of Section 7 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 mile Northeast of Kirtland, New Mexico.

CASE 12826: **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the E/2 of Section 17, Township 18 South, Range 28 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 North Illinois-Morrow Gas Pool. The unit is to be dedicated to applicant's Illinois Camp "17" State Com. Well No. 1, drilled at an orthodox location in the NW/4 SE/4 of Section 17. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 12 miles east-southeast of Atoka, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12795: Continued from February 21, 2002, Examiner Hearing.

Application of Chaparral Energy, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.C (3) 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 12827: **Application of XTO Energy Inc. for approval of surface commingling, San Juan County, New Mexico.** Applicant seeks an order, pursuant to Division Rule 303.B, approving surface commingling of Blanco-Mesaverde Gas Pool production from its Armenta Gas Com. C Well No. 1A, located in the N/2 of Section 27, Township 29 North, Range 10 West, with Basin-Fruitland Coal Gas Pool production from its Armenta Gas Com. G Well No. 1, located in the E/2 of Section 27, Township 29 North, Range 10 West. The wells are located approximately 6 miles east of Bloomfield, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12828: **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 following described acreage in Section 1, Township 15 South, Range 34 East, and in the following manner: The NE/4 NE/4 of Section 1 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, including the Undesignated North Morton-Permo Pennsylvanian Pool and Undesignated Morton-Wolfcamp Pool; the N/2 NE/4 of Section 1 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated Morton-Lower Wolfcamp Pool; the NE/4 of Section 1 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and the E/2 of Section 1 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 the Undesignated North Morton-Atoka Gas Pool, Undesignated East Morton-Morrow Gas Pool, and Undesignated Morton-Mississippian Gas Pool. The units are to be dedicated to applicant's Big Black Ant Well No. 1, to be drilled at an orthodox location in the NE/4 of Section 1. 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 units are located approximately 9½ miles northwest of Lovington, New Mexico.

CASE 12829: **Application of Nadel and Gussman Permian, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 36, Township 17 South, Range 29 East, and in the following manner: The E/2 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 Sand Tank-Strawn Gas Pool and Undesignated Sand Tank-Morrow Gas Pool; and the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Kodiak State Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SE/4 (Unit P) 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 units are located approximately 3 miles southwest of Loco Hills, New Mexico.

CASE 12830: **Application of Southwestern Energy Production Company for compulsory pooling and a non-standard gas spacing and proration unit, Eddy 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 (the W/2 equivalent) of Section 18, Township 18 South, Range 28 East, to form a non-standard 334.68-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Illinois Camp-Morrow Gas Pool. The unit is to be dedicated to applicant's Leatherstocking "18" State Com. Well No. 1, to be drilled at an orthodox gas well location in Lot 1 (Unit D) 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 10½ miles east-southeast of Atoka, New Mexico.

CASE 12762: **This case will be continued to the May 2, 2002, Examiner Hearing.**

Application of Paladin Energy Corp. for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Paladin Wolfcamp Exploratory Unit for an area comprising 80 acres, more or less, of state and fee lands in Sections 35 and 36, Township 13 South, Range 37