

DOCKET: EXAMINER HEARING - THURSDAY - MAY 30, 2002

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

Santa Fe, New Mexico

Docket Nos. 17-02 and 18-02 are tentatively set for June 13, 2002 and June 27, 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 12848: Continued from May 2, 2002, Examiner Hearing.

Application of SDX Resources, Inc. for the creation of the Red Lake San Andres Pool and the corresponding contraction of the Red Lake Queen-Grayburg-San Andres Pool, Eddy County, New Mexico. Applicant seeks the creation of a Red Lake-San Andres Pool to include the SE/4 of Section 19, the E/2, SW/4, E/2 NW/4 and SW/4 NW/4 of Section 20, the SW/4, SW/4 NW/4, W/2 SE/4 of Section 21, NE/4 of Section 30, N/2 of Section 29, NW/4, NE/4 SW/4 and NW/4 NE/4 of Section 28, Township 17 South, Range 28 East, the vertical limits of which are all of the San Andres formations as shown from a depth 1925 feet to 3500 feet on the log of the SDX Welch RL State Well No. 1 located in Unit (E) of Section 28, Township 17 South, Range 28 East, and the corresponding contraction of the Red Lake Queen-Grayburg-San Andres Pool to delete said acreage from that pool. This acreage is located approximately 11-1/2 miles east of Artesia, New Mexico.

CASE 12868: Application of Apache Corporation for approval of a non-standard gas proration and spacing unit, unorthodox gas well locations, simultaneous dedication, downhole commingling, and assignment of a special gas allowable, Lea County, New Mexico. Applicant seeks approval of unorthodox gas well locations for its Thomas Long Well No. 5, located 912 feet from the South line and 1721 feet from the West line and for its proposed Thomas Long Well No. 6 to be located 900 feet from the South line and 2091 feet from the West line, both in Section 11, Township 22 South, Range 37 East, to be simultaneously dedicated to a 40-acre non-standard gas/oil proration and spacing unit for downhole commingling production from the Blinbry Gas and Oil Pool and the Tubb Gas and Oil Pool with the assignment of a special gas allowable not to exceed the casinghead gas allowable of 642 mcfpd. These wells are located approximately 2 miles south of Eunice, New Mexico.

CASE 12869: Application of Burlington Resources Oil & Gas Company LP for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Mesaverde formation underlying the N/2 of Section 18, Township 30 North, Range 11 West. This unit is to be dedicated to its James Scott Well No. 1 to be drilled and completed at a standard well location in Unit A of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in this well. This well will be located 1 mile west of the center of Aztec, New Mexico.

CASE 12852: Continued from May 2, 2002, Examiner Hearing.

Application of Matador E & P Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted royalty and overriding royalty interest owners with respect to any production underlying the S/2 NW/4 of Section 4, Township 20 South, Range 37 East, to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently may include but is not necessarily limited to the Monument-Tubb Pool. Applicant further requested that the pooling of this unit be made as of the date of first production from its Laughlin Well No. 6 drilled and completed at a standard well location in Unit F of said Section 4 and the designation of Matador Operating Company as the operator. Said unit is located approximately 10 miles southwest of Hobbs, New Mexico.

CASE 12863: Continued from May 16, 2002, Examiner Hearing.

Application of Matador E & P Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted royalty and overriding royalty interest owners with respect to any production underlying the N/2 NE/4 of Section 4, Township 20 South, Range 37 East, to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical extent, which presently may include but is not necessarily limited to the Monument-Tubb Pool. Applicant further requested that the pooling of this unit be made as of the date of first production from its proposed Cooper 4 Well No. 2 drilled and completed at a standard well location in Unit A of said Section 4 and the designation of Matador Operating Company as the operator. Said unit is located approximately 10 miles southwest of Hobbs, New Mexico.

CASE 12870: Application of Yates Petroleum Corporation for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Big Hat State Exploratory Unit for an area comprising 3261.32 acres, more or less, of State of New Mexico lands in Sections 2, 3, 10 and 11 of Township 16 South, Range 33 East, which is located approximately 10 miles northeast of Maljamar, New Mexico.

CASE 12847: Continued from May 16, 2002, Examiner Hearing.

Application of V-F Petroleum Inc. 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 22, Township 20 South, Range 30 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 Golden Lane-Strawn Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the NW/4 NW/4 or the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Dos Hermanos Yates-Seven Rivers Pool and the Undesignated P.C.A. (Yates) Pool. Said units are to be dedicated to its Hale Federal Com Well No. 3 to be directionally drilled from an unorthodox surface location 1450 feet from the South line and 660 feet from the West line to a previously approved unorthodox bottom hole location in the Morrow formation 950 feet from the North line and 760 feet from the West line of said Section 22 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 applicant as operator of the well and a charge for risk involved in drilling the well. Said area is located approximately 17 miles South of Loco Hills, New Mexico.

CASE 12865: Continued from May 16, 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 in the W/2 of Section 34, Township 14 South, Range 35 East, for all formations developed on 320-acre spacing. Applicant proposes to dedicate this pooled unit to its proposed Chocolate Foam Wing Well No. 1, to be drilled at a standard gas well location in the NW/4 SW/4 of said Section 34. 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 6 miles northwest of Lovington, New Mexico.

CASE 12871: Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Atoka formation underlying the W/2 of Section 26, Township 24 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