

DOCKET: EXAMINER HEARING - THURSDAY – JUNE 27, 2002

**8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico**

Docket Nos. 20-02 and 21-02 are tentatively set for July 11, 2002 and August 1, 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 12874: Continued from June 13, 2002, Examiner Hearing.

Application of Concho Oil & Gas Corp. and Nearburg Producing Company for approval of surface commingling of production from wells operated by two different operators, Eddy County, New Mexico. Applicants seek an order approving surface commingling of Diamond Mound-Morrow Gas Pool production from the Concho Crow Flats 11 Fed. Well No. 1, located in the W/2 of Section 11, the Concho Crow Flats 3 Fed. Well No. 1, located in the S/2 of Section 3, and the Nearburg Crow Flats 10 Fed. Well No. 1, located in the E/2 of Section 10, all in Township 16 South, Range 28 East. The wells are located approximately 13½ miles northwest of Loco Hills, New Mexico.

CASE 12868: Continued from June 13, 2002, Examiner Hearing.

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 12877: 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 E/2 SE/4 of Section 5, 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 requests that the pooling of this unit be made as of the date of first production from its Laughlin "5" Well No. 1 drilled and completed at a standard well location in Unit P of said Section 5 and the designation of Matador Operating Company as the operator. Said unit is located approximately 10 miles southwest of Hobbs, New Mexico.

CASE 12853: Continued from June 13, 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 SW/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the S/2 of Section 8, 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 "8" Well No. 3 which is to be located in Unit M of Section 8 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 East of Kirtland, New

Mexico.

CASE 12854: Continued from June 13, 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 NW/4 of Section 21, Township 29 North, Range 13 West, forming a standard 160-acre spacing and proration units. This unit is to be dedicated to its F-RPC 21 Well No. 2 which is to be located in Unit E of Section 21 for production from the Pictured Cliffs formation (West Kutz-Pictured Cliffs 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 mile south-southwest from center of Farmington, New Mexico.

CASE 12855: Continued from June 13, 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 SW/4 and all mineral interests in the Basin Fruitland Coal Gas Pool underlying the W/2 of Section 21, Township 29 North, Range 13 West, forming standard 160-acre and 320-acre spacing and proration units, respectively. These units are to be dedicated to its F-RPC 21 Well No. 3 which is to be located in Unit M of Section 21 for downhole commingled production from the Pictured Cliffs formation (West Kutz-Pictured Cliffs Gas Pool) 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 mile south-southwest from center of Farmington, New Mexico.

CASE 12871: Continued from June 13, 2002, Examiner Hearing.

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 spacing within that vertical extent, including but not limited to the Salt Draw-Atoka Gas Pool. The unit is to be dedicated to applicant's Willow Lake "26" Fee Com. Well No. 1, to be drilled at an orthodox location in the SW/4 SW/4 (Unit M) of Section 26. 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 2½ miles south-southeast of Malaga, New Mexico.

CASE 12878: **Application of Elm Ridge Resources, Inc. for compulsory pooling, San Juan County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Basin-Fruitland Coal Gas Pool underlying the W/2 of Section 28, Township 25 North, Range 12 West, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool. The unit is to be dedicated to the Bisti Coal 28 Well No. 2, to be drilled at an orthodox location in the NE/4 SW/4 of Section 28. 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 25 miles south of Farmington, New Mexico. **IN THE**