

DOCKET: EXAMINER HEARING - THURSDAY – SEPTEMBER 19, 2002

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

Santa Fe, New Mexico

Docket Nos. 31-02 and 32-02 are tentatively set for October 10, 2002 and October 24, 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 12898: Reopened and Readvertised

Application of Williams Production Company for a non-standard gas proration unit and an unorthodox subsurface gas well location, Rio Arriba County, New Mexico. Applicant seeks to establish a non-standard 303.88-acre gas spacing and proration unit within the Basin-Dakota Pool comprising all of irregular Section 1, Township 31 North, Range 6 West, which is located approximately 5.5 miles south of the New Mexico/Colorado state line at mile corner marker No. 240. This unit is to be dedicated to Williams Production Company's proposed Rosa Unit Well No. 164-B to be directionally drilled from a surface location 1475 feet from the South line and 1235 feet from the East line (Unit J) of irregular Section 1 to an unorthodox bottomhole location within the Basin-Dakota Pool approximately 330 feet from the South line and 1650 feet from the West line (Unit N) of irregular Section 1. **IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT."**

CASE 12923: Amended Application of Yates Petroleum Corporation for approval of a Unit Agreement and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of the Calftrope State Exploratory Unit for an area comprising 1,560 acres of State of New Mexico lands located in the SW/4, W/2 NW/4 and SE/4 NW/4 of Section 28, and all of Sections 29 and 32 of Township 15 South, Range 34 East, and approval of an unorthodox gas well location for the initial test well on the unit at a location 2068 feet from the South line and 610 feet from the West line of said Section 28. The proposed unit is located approximately 10 miles northwest of Lovington, New Mexico.

CASE 12924: Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation in the following described acreage: Lots 3 and 4, E/2 SW/4, and SE/4 (S/2 equivalent) to form a spacing and proration unit for all formations developed on 321.94-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated North Hume-Morrow Gas Pool and the Undesignated North Eidson-Morrow Gas Pool; SW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; the S/2 SW/4 to form a standard spacing and proration unit for all formations and pools developed on 80-acre spacing within that vertical extent which includes but is not necessarily limited to the Big Dog-Atoka Pool; and the NW/4 SW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Big Dog-Strawn Pool and the Undesignated Townsend Permo-Upper Pennsylvanian Pool, all in Section 30, Township 15 South, Range 35 East. Applicant proposes to dedicate the pooled units to its John's Hopper "30" Federal Well No. 3 to be drilled at a standard gas well location 1980 feet from the South line and 880 feet from the West line of said Section 30. 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 5 miles northwest of Lovington, New Mexico.

CASE 12910: Continued from August 22, 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 Irregular Section 14, Township 29

North, Range 14 West, forming standard spacing and proration units, respectively. These units are to be dedicated to its NAVAJO "14" Well No. 2 which has been drilled in Unit L of Section 14 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 5 miles East of Kirtland, New Mexico.

CASE 12925: Application of Trilogy Operating, Inc. for compulsory pooling, Lea County, New Mexico. Applicant, in accordance with Division Rule 1207.A(1)(b) seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the NW/4 NE/4 of Section 24, Township 19 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any and all formations and/or pools spaced on 40-acre spacing, including but not limited to the South Nadine-Seven Rivers-Yates Pool, Nadine-Blaine Pool, Nadine-Tubb Pool, and Nadine-Drinkard-Abo Pool. This unit is to be dedicated to its Sapphire Well No. 2 to be drilled at a standard well location in Unit B of this section. Also to be considered will be the costs of drilling and completing said 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 unit is located approximately 7 miles east of Angell, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12926: Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests underlying the W/2 of Section 12, Township 18 South, Range 24 East, to form a standard 320-acre stand-up gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently include but are not necessarily limited to the Penasco Draw Permo-Penn Gas Pool. Said units are to be dedicated to Applicant's proposed Gold Stonefly Fed. Com. "12" No. 1 well to be drilled at a standard 320-acre spacing and proration unit gas well location 665 feet from the South line and 1032 feet from the West line in the SW/4 of said Section 24. 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 or its designee as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 5 miles northwest of Arkansas Junction, New Mexico.

CASE 12917: Continued from September 5, 2002, Examiner Hearing.

Application of Synergy Operating, LLC for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the NE/4 of Section 25, Township 28 North, Range 10 West, to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent, including the Fulcher Kutz-Pictured Cliffs Gas Pool. The unit is to be dedicated to the Omler Well No. 6, to be re-entered and worked over at a location 1190 feet from the North line and 1820 feet from the East line of Section 25. Also to be considered will be the cost of re-entering and working over 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 re-entering and working over the well. The unit is located approximately 8 miles southeast of Bloomfield, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12927: Application of Ricks Exploration Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the SE/4 NE/4 of Section 22, Township 12 South, Range 38 East, to form a standard 40-acre oil spacing