

vertical extent, including but not limited to the East Avalon-Bone Spring Gas Pool and Undesignated Burton Flat-Bone Spring Associated Pool; and Lot 2 of Section 31 to form a non-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 but not limited to the Undesignated Avalon-Delaware Pool, Undesignated East Penlon-Bone Spring Pool, Undesignated Avalon-Lower Bone Spring Pool, and Undesignated Burton Flat-Bone Spring Associated Pool. The units are to be dedicated to applicant's Liberty "31" Fed. St. Com. Well No. 1, to be drilled at an orthodox well location in Lot 2 (Unit E) of Section 31. 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 8 miles north of Carlsbad, New Mexico.

CASE 12913: Continued from August 22, 2002, Examiner Hearing.

Application of Myco Industries, Inc. 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 acreage in Section 13, Township 21 South, Range 27 East: the N/2 to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include but are not necessarily limited to the Undesignated East Carlsbad Morrow Pool; the NE/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent; the N/2 NE/4 to form a standard 80-acre spacing and proration unit for all formations or pools spaced on 80 acres within this vertical extent; and the NE/4 NE/4 to form a standard 40-acre spacing and proration unit for all formations or pools spaced on 40 acres within this vertical extent. These spacing and proration units are to be dedicated to Myco's proposed Baton Rouge North State Com Well No. 1 to be drilled at a standard location in Section 13. 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 1 mile north of Carlsbad, New Mexico.

CASE 12914: Continued from August 22, 2002, Examiner Hearing

Application of Myco Industries, Inc. 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 acreage in Section 13, Township 21 South, Range 27 East: the S/2 to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include but are not necessarily limited to the Undesignated East Carlsbad Morrow Pool; the SE/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent; the N/2 SE/4 to form a standard 80-acre spacing and proration unit for all formations or pools spaced on 80 acres within this vertical extent; and the NE/4 SE/4 to form a standard 40-acre spacing and proration unit for all formations or pools spaced on 40 acres within this vertical extent. These spacing and proration units are to be dedicated to Myco's proposed Baton Rouge South State Com Well No. 1 to be drilled at a standard location in Section 13. 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 1 mile north of Carlsbad, New Mexico.

CASE 12942: Application of David H. Arrington Oil and 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 Morrow formation underlying the following acreage in irregular Section 1, Township 16 South, Range 34 East: Lots 1, 2, 7, 8, 9, 10, 15 and 16 to form a standard 328.34-acre E/2 gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include but are not

necessarily limited to the Undesignated Townsend-Morrow Gas Pool. This spacing and proration unit is to be dedicated to Arrington's proposed Triple Teaser Federal Com Well No. 1 to be drilled at a standard location 1200 feet from the North line and 1665 feet from the East line (Unit B) of irregular Section 1. 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 8 miles West of Lovington, New Mexico.

CASE 12943: Application of Great Western Drilling Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following acreage in Section 34, Township 15 South, Range 34 East: The E/2 to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include but are not limited to the North Edison-Morrow Gas Pool; the SE/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent; the N/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations or pools spaced on 80 acres within this vertical extent which presently includes, but is not limited to, the undesignated North Edison Strawn Pool; and the NE/4 SE/4 to form a standard 40-acre spacing and proration unit for any and all formations or pools spaced on 40 acres within this vertical extent which presently includes, but is not limited to, the Townsend Permo-Penn Pool. These spacing and proration units are to be dedicated to Applicant's proposed GWDC "34" Federal Well No. 1 to be drilled at a standard location 1700 feet from the South line and 950 feet from the East line in the SE/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 10 miles northwest of Lovington, New Mexico.

CASE 12944: Application of the New Mexico Oil Conservation Division for an Order Requiring Shanley Oil Company to Properly Plug One (1) Well, Imposing Civil Penalties in Event of Failure to Comply, Authorizing the Division to Plug Said Well in Default of Compliance by Shanley Oil Company, and Ordering a Forfeiture of Applicable Plugging Bond; Roosevelt County, New Mexico. The Applicant seeks an order requiring Shanley Oil Company, the operator of One (1) inactive well in Roosevelt County, New Mexico, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said well if the operator fails to do so, forfeiting Operator's plugging bond, and providing for such other relief as the Director deems appropriate. The affected well is the following:

<u>Operator</u>	<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Shanley Oil Co.	Harris 14 Well No. 1	30-041-20342	B-14-6S-33E

CASE 12945: Application of the New Mexico Oil Conservation Division for an Order Requiring OK Operating Co. to Properly Plug Two (2) Wells, Imposing Civil Penalties in Event of Failure to Comply, Authorizing the Division to Plug Said Wells in Default of Compliance by OK Operating Co., and Ordering a Forfeiture of Applicable Plugging Bond, if Any; Lea County, New Mexico. The Applicant seeks an order requiring OK Operating Co., the operator of Two (2) inactive wells in Lea County, New Mexico, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said wells if the operator fails to do so, forfeiting Operator's plugging bond, if any, and providing for such other relief as the Director deems appropriate. The affected wells are the following:

<u>Operator</u>	<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
OK Operating Co.	Arco Federal No. 1	30-025-27639	E-04-10S-38E
OK Operating Co.	Arco Federal No. 2	30-025-27669	3-04-10S-38E

CASE 12946: Application of the New Mexico Oil Conservation Division for an Order Requiring