

DOCKET: EXAMINER HEARING - THURSDAY – APRIL 10, 2003

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

Docket Nos. 12-03 and 13-03 are tentatively set for April 24, 2003 and May 8, 2003. 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 13010: Continued from March 13, 2003, Examiner Hearing.

Application of Concho Oil & Gas Corp. 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 N/2 of Section 28, Township 19 South, Range 34 East, 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 but not limited to the Quail Ridge-Morrow Gas Pool. The unit is to be dedicated to applicant's Codorniz Fed. "28" Well No. 1, to be located at an orthodox location in the NW/4 NW/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 17½ miles west of Monument, New Mexico.

CASE 13011: Continued from March 13, 2003, Examiner Hearing.

Application of Concho Oil & Gas Corp. 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 S/2 of Section 28, Township 19 South, Range 34 East, 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 but not limited to the Undesignated Quail Ridge-Morrow Gas Pool. The unit is to be dedicated to applicant's Codorniz Fed. "28" Well No. 2, to be located at an orthodox location in the NW/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 17½ miles west of Monument, New Mexico.

CASE 13043: 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 E/2 of Section 28, Township 21 South, Range 27 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 Undesignated La Huerta-Strawn Gas Pool and the Burton Flat-Morrow Gas Pool. The unit is to be dedicated to applicant's Domino Fed. Well No. 1, to be drilled at an orthodox gas well location in the NE/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 3 miles northeast of Carlsbad, New Mexico.

CASE 13044: 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 S/2 of Section 27, Township 23 South, Range 26 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 South Carlsbad-Morrow Gas Pool. The unit is to be dedicated to applicant's South Carlsbad State 27 Well No. 7, to be drilled at an orthodox gas well location in the SW/4 of Section 27. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 9½ miles west-southwest of Loving, New Mexico.

CASE 13034: Continued from March 27, 2003, Examiner Hearing.

Application of NGX 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 Morrow formation underlying the SE/4 of Section 21, Township 22 South, Range 27 East, to form a non-standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent. The unit is to be dedicated to the Boggs Fee Well No. 1, located in the NE/4 SE/4 of Section 21, which is to be re-entered and re-completed. Also to be considered will be the cost of re-entering and re-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 re-entering and working over the well. The unit is located approximately 4½ miles southeast of Carlsbad, New Mexico.

CASE 13020: Readvertised

Amended Application of Yates Petroleum Corporation for the adoption of special pool rules, Lea County, New Mexico. Applicant seeks adoption of Special Pool Rules and Regulations for the Salt Lake-Delaware Pool located in the SE/4 of Section 14, Township 20 South, Range 32 East, including provisions for 80-acre oil spacing retroactive to July 1, 1992, the date of the creation of the Salt Lake-Delaware Pool. This pool area is located approximately 1 mile north of Halfway, New Mexico.

CASE 13045: Application of Yates Petroleum Corporation for an unorthodox location, Chaves County, New Mexico. Applicant seeks an: (i) unorthodox infill gas well location in the Pecos Slope-Abo Gas Pool; (ii) unorthodox infill oil well location in the Pecos Slope-Pennsylvanian Pool; and (iii) unorthodox deep-gas well location for any and all formations below the top of the Wolfcamp formation spaced on 320 acres, for its proposed George "QJ" Federal Well No. 11 to be drilled 2080 feet from the North line and 1350 feet from the West line (Unit F) of Section 26, Township 6 South, Range 25 East, which is located approximately 13.5 miles north of the Pecos River bridge on U. S. Highway 70. The proposed location is an exception to the well location requirements provided within the "*Special Rules and Regulations for the Pecos Slope-Abo Gas Pool*", as promulgated by Division Order No. R-9976-C, for an infill well within an existing standard 160-acre Abo gas spacing unit comprising the NW/4 of Section 26. This unit is currently dedicated to the applicant's George "QJ" Federal Well No. 6 (API No. 30-005-61546), located at a standard gas well location 660 feet from the North line and 990 feet from the West line (Unit D) of Section 26. This location is also an exception to the well location requirements provided within the "*Temporary Special Pool Rules for the Pecos Slope-Pennsylvanian Pool*", as promulgated by Division Order No. R-11721, for an infill oil well within an existing standard 320-acre stand-up oil spacing and proration unit comprising the W/2 of Section 26. This 320-acre Pennsylvanian oil unit is currently dedicated to the applicant's George "QJ" Federal Well No. 10 (API No. 30-005-63368), located at a standard oil well location 660 feet from the South line and 1500 feet from the West line (Unit N) of Section 26. Further, in accordance with Division Rule 104.C (2) (a) the proposed George "QJ" Federal Well No. 11 is also unorthodox for any and all gas bearing formations below top of the Wolfcamp formation for a standard 320-acre stand-up gas spacing unit comprising the W/2 of Section 26.

CASE 13046: Application of BP America Production Company for an unorthodox infill coal gas well location, San Juan County, New Mexico. Applicant seeks an exception to the well location requirements provided in the "*Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool*," set forth in Division Order No. R-8768, as amended, for an unorthodox infill coal gas well location within an existing 320.25-acre gas spacing unit comprising Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of Section 5, Township 31 North, Range 10 West, which is located approximately one mile southwest of Cedar Hill, New Mexico. The applicant's proposed McEwen Gas Com. "D" Well No. 1-S is to be drilled 1075 feet from the North line and 240 feet from the West line (Lot 4/Unit D) of Section 5. This unit is currently dedicated to BP Production Company's McEwen Gas Com. "D" Well No. 1 (API No. 30-045-28172), located at a standard coal gas well location 1740 feet from the North line