

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 27, 2003

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

Santa Fe, New Mexico

Docket Nos. 09-03 and 10-03 are tentatively set for April 10, 2003 and April 24, 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 13031: Application of Mewbourne Oil Company 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 (except the Atoka formation) underlying the following described acreage in Section 11, Township 21 South, Range 27 East, and in the following manner: The E/2 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 the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, and Burton Flat-Morrow Gas Pool; and the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including the East Avalon-Bone Spring Gas Pool. The units are to be dedicated to applicant's Esperanza "11" St. Com. Well No. 2, drilled at an orthodox well location in the NW/4 SE/4 of Section 11. 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 units are located approximately 7 miles northeast of Carlsbad, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 13032: Application of Mewbourne Oil Company for compulsory pooling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation (except the Atoka formation) underlying the following described acreage in Section 11, Township 21 South, Range 27 East, and in the following manner: The W/2 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 the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cedar Hills-Upper Pennsylvanian Gas Pool, Undesignated Burton Flat-Strawn Gas Pool, and Burton Flat-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including the East Avalon-Bone Spring Gas Pool; and the SW/4 SW/4 to form a standard oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated La Huerta-Delaware Pool and Undesignated East Avalon-Bone Spring Pool. The units are to be dedicated to applicant's Esperanza "11" St. Com. Well No. 1, drilled at an orthodox gas well location/unorthodox oil well location in the SW/4 SW/4 of Section 11. 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 units are located approximately 6½ miles northeast of Carlsbad, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 13021: Continued from March 13, 2003, 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 Wolfcamp formation to 100 feet below the base of the Morrow formation underlying the S/2 of Section 1, Township 22 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 East Carlsbad-Strawn Gas Pool and Undesignated East Carlsbad-Morrow Gas Pool. The unit is to be dedicated to applicant's Otis "1" Well No. 1, to be drilled at an orthodox location in the SW/4 SE/4 (Unit O) of Section 1. 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 5 miles east of Carlsbad, New Mexico.

CASE 13033: Application of Read & Stevens, Inc. for approval of a unit agreement, Chaves County, New Mexico. Applicant seeks approval of the West Haystack Unit Area comprising 1910.80 acres of federal and fee lands in Sections 7, 8, and 18, Township 6 South, Range 27 East. The proposed unit area is located approximately 13 miles north of Campbell, New Mexico.

CASE 13034: 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 13035: Application of Ocean Energy, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Lower Mississippian Lime formation underlying the following described acreage in Section 17, Township 16 South, Range 35 East, and in the following manner: The W/2 of Section 17 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 Townsend-Morrow Gas Pool; and the NW/4 of Section 17 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Eidson Ranch State Com. "17" Well No. 1, to be drilled at an orthodox location in the NE/4 NW/4 of Section 17. 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 units are located approximately 8 miles west-southwest of Lovington, New Mexico.

CASE 13036: Application of Ocean Energy, 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 underlying the E/2 of Section 8, Township 17 South, Range 35 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 North Vacuum Atoka-Morrow Gas Pool. The unit is to be dedicated to the proposed Dirt Devil State Com. "8" Well No. 1, to be drilled at an orthodox location in the SW/4 SE/4 (Unit O) of Section 8. 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 3½ miles northeast of Buckeye, New Mexico.

CASE 13014: Continued from March 13, 2003, Examiner Hearing.

Application of Matador E & P Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Tubb formation underlying the N/2 NE/4 of Section 8, Township 20 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools spaced on 80-acre spacing, including but not limited to the Monument-Tubb Pool. In