

DOCKET: EXAMINER HEARING - THURSDAY – NOVEMBER 15, 2001

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

Santa Fe, New Mexico

Docket Nos. 38-01 and 39-01 are tentatively set for December 6, 2001 and December 20, 2001. 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 12753: Continued from November 1, 2001, Examiner Hearing.

Application of David H. Arrington Oil & 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 Mississippian formation underlying the W/2 of Section 36, Township 16 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 Undesignated South Shoe Bar-Morrow Gas Pool and Undesignated Shoe Bar-Mississippian Gas Pool. The unit is to be dedicated to applicant's Double Hackle Drake "36' State Well No. 1, to be drilled at an orthodox location in the NW/4 NW/4 of Section 36. 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 6 miles southwest of Lovington, New Mexico.

CASE 12760: **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 Grayburg formation to the base of the Morrow formation underlying the E/2 of Section 18, Township 19 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 Undesignated West Millman-Wolfcamp Pool, Millman-Strawn Gas Pool, and Undesignated South Millman-Morrow Gas Pool. The unit is to be dedicated to applicant's Remington "18" St. Com. Well No. 1, drilled at an orthodox location in the NW/4 SE/4 of Section 18. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 9 miles southwest of Loco Hills, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT**

CASE 12735: Continued from November 1, 2001, Examiner Hearing.

Application of Louis Dreyfus Natural Gas Corporation 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 described acreage in Section 4, Township 23 South, Range 26 East, in the following manner: the E/2 to form a standard 320-acre gas spacing unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently includes but is not necessarily limited to the South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing unit for all formations and/or pools developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre spacing unit for all formations and/or pools developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to Applicant's proposed Saragossa 4 Fed Com Well No. 1 to be located at a standard location in Unit I of this section. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a charge for risk involved in drilling and completing this well. This unit is located approximately 6 miles southwest of Carlsbad, New Mexico.

CASE 12736: Continued from October 18, 2001, Examiner Hearing.

Application of KUKUI Operating Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an exception to Division Rule 104.C (2) for its proposed Goodnight "35" Federal Well No. 3 (API No. 30-015-31865) to be drilled at an unorthodox gas well location 440 feet from the South line and 660 feet from the West line (Unit M) of Section 35, Township 23 South, Range 29 East. The S/2 of Section 35 is to be dedicated to this well in order to form a standard 320-acre lay-down gas spacing and proration unit for the Wolfcamp (Laguna Grande-Wolfcamp Gas Pool), Strawn, Atoka, and Morrow formations. This unit is located approximately 8.5 miles east by south of Loving, New Mexico.

CASE 12761: Application of Yates Petroleum Corporation for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Mocha State Unit for an area comprising 2880 acres, more or less, of state lands in Sections 33, 34 and 35, Township 12 South, Range 34 East, and Sections 2 and 11, Township 13 South, Range 34 East, which is located approximately 9.5 miles southwest of Tatum, New Mexico.

CASE 12762: Application of Paladin Energy Corp. for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Paladin Wolfcamp Exploratory Unit for an area comprising 80 acres, more or less, of state and fee lands in Sections 35 and 36, Township 13 South, Range 37 East, which is located approximately 9 miles east of McDonald, New Mexico.

CASE 12763: Application of Paladin Energy Corp. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox well location in the Wolfcamp formation, King-Wolfcamp Pool, for its State "C" Well No. 1 to be re-entered and recompleted at an unorthodox well location 1550 feet from the North line and 10 feet from the West line of Section 36, Township 13 South, Range 37 East. Said well is located approximately 9 miles east of McDonald, New Mexico.

CASE 12764: Application of Discovery Exploration for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Lowe Exploratory Unit for an area comprising 80 acres of fee lands in Sections 28 and 29, Township 12 South, Range 38 East, which is located approximately 11 miles east of Tatum, New Mexico.

CASE 12765: Application of Discovery Exploration for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location in the Devonian formation, Trinity-Devonian Pool, for its Lowe Well No. 1 to be drilled at an unorthodox gas well location 2300 feet from the South line and 100 feet from the East line of Section 29, Township 12 South, Range 38 East. Said well is located approximately 11 miles east of Tatum, New Mexico.

CASE 12179: (Reopened) Continued from October 18, 2001, Examiner Hearing.

In the matter of Case 12179 being reopened pursuant to the provisions of Division Order No. R-11208, which order promulgated temporary special pool rules for the East Hobbs-San Andres Pool in Lea County, New Mexico. Operators in the East Hobbs-San Andres Pool should be prepared to appear and show cause why the top oil allowable rate of 160 barrels of oil per day for the pool should not be rescinded.

CASE 12766: Application of Primero Operating, Inc. for approval of a unit agreement, Socorro County, New Mexico. Applicant seeks approval of the Cat Head Mesa Unit, a voluntary exploratory unit for an area

comprising 37,339.04 acres, more or less, of state, federal and fee oil and gas leases underlying portions or all of the following sections: Sections 35, 36, Township 3 South, Range 8 East; Sections 31, 32, 33, Township 3 South, Range 9 East; Sections 1, 2, 3, 10-15, 23-25, and 36, Township 4 South, Range 8 East; Sections 2-36, Township 4 South, Range 9 East; Section 1, Township 5 South, Range 8 East; Sections 2-11, Township 5 South, Range 9 East. This proposed unit is located approximately 18 miles northeast of Bingham, New Mexico

CASE 12767: **Application of Chesapeake Operating, Inc. for an unorthodox oil well location, Lea County, New Mexico.** Applicant seeks approval to drill and produce its proposed Buchanan "32" Well No. 1 at an unorthodox oil well location 2520 feet from the South line and 1909 feet from the West line (Unit K) of Section 32, Township 16 South, Range 37 East, for production from the Strawn formation from the Northeast Lovington-Pennsylvanian Pool to be dedicated to a standard 80-acre oil spacing and proration unit consisting of the N/2 SW/4 of this section. This location is located approximately 5 ½ miles southeast of Lovington, New Mexico.

CASE 12768: **Application of Chesapeake Operating Inc. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the following described acreage in Section 9, Township 16 South, Range 37 East: the E/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within this vertical extent, including the Northeast Lovington-Pennsylvanian Pool; and the NE/4 SW/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within this vertical extent. This unit is to be dedicated to its Buddy "9" Well No. 1 which will be located at a standard well location within Unit K of this section. Applicant further seeks an order prescribing terms ("operating provisions") pursuant to which future operations may be conducted in accordance with applicant's Joint Operating Agreement. Also to be considered will be the costs of drilling and completing this 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 4 miles east of the center of the City of Lovington, New Mexico.

CASE 12769: **Application of Matador Petroleum Corporation for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the top of the surface to the base of the Tubb formation underlying the following described acreage in Section 4, Township 20 South, Range 37 East: the N/2 NE/4 to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within this vertical extent, including but not limited to the Monument Tubb Pool; and the NW/4 NE/4 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within this vertical extent, including but not limited to the East Monument-Paddock Pool and the Monument-Blinebry Pool. This unit is to be dedicated to its proposed Cooper "4" Well No. 2 to be drilled and completed at a standard well location in Unit B of this Section. Applicant further seeks an order prescribing terms ("operating provisions") pursuant to which future operations may be conducted in accordance with applicant's Joint Operating Agreement. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of this spacing unit and this well and a charge for risk involved in this well. This unit is located approximately 1-1/2 miles south-southeast of Monument, New Mexico.

CASE 12770: **Application of the New Mexico Oil Conservation Division for an Order Requiring Sierra Blanca Operating Company to Properly Plug Ninety (90) Wells, Authorizing the Division to Plug Said Wells in Default of**

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Compliance by Sierra Blanca Operating Company or Its Sureties, and Ordering a Forfeiture of Applicable Plugging Bonds and Cash Collateral; Lea County, New Mexico. The Applicant seeks an order requiring Sierra Blanca Operating Company, the operator of ninety (90) inactive wells in Lea County, New Mexico to properly plug and abandon the same, authorizing the Division to plug said wells if the operator or its sureties fails to do so, forfeiting Operator's plugging bonds and cash collateral, and providing for such other relief as the Director deems appropriate. The affected wells are the following:

API WELL #	Well Name	Well #	UL	Sec	Twp	N/S	Rng	W/E
30-025-00238-00-00	NORTH CAPROCK QUEEN UNIT	001	A	7	13S		32E	
30-025-00234-00-00	NORTH CAPROCK QUEEN UNIT	002	2	6	13S		32E	
30-025-24595-00-00	NORTH CAPROCK QUEEN UNIT	002Y	B	7	13S		32E	
30-025-00213-00-00	NORTH CAPROCK QUEEN UNIT	003	3	5	13S		32E	
30-025-00223-00-00	NORTH CAPROCK QUEEN UNIT	003	3	6	13S		32E	
30-025-00253-00-00	NORTH CAPROCK QUEEN UNIT	003	C	7	13S		32E	
30-025-00264-00-00	NORTH CAPROCK QUEEN UNIT	004	D	8	13S		32E	
30-025-24596-00-00	NORTH CAPROCK QUEEN UNIT	004Y	D	8	13S		32E	
30-025-00214-00-00	NORTH CAPROCK QUEEN UNIT	005	E	5	13S		32E	
30-025-00257-00-00	NORTH CAPROCK QUEEN UNIT	005	E	8	13S		32E	
30-025-00208-00-00	NORTH CAPROCK QUEEN UNIT	006	F	32	12S		32E	
30-025-00239-00-00	NORTH CAPROCK QUEEN UNIT	006	F	7	13S		32E	
30-025-00259-00-00	NORTH CAPROCK QUEEN UNIT	006	F	8	13S		32E	
30-025-00222-00-00	NORTH CAPROCK QUEEN UNIT	006F	F	6	13S		32E	
30-025-00205-00-00	NORTH CAPROCK QUEEN UNIT	007	G	32	12S		32E	
30-025-00233-00-00	NORTH CAPROCK QUEEN UNIT	007	G	6	13S		32E	
30-025-00236-00-00	NORTH CAPROCK QUEEN UNIT	007	G	7	13S		32E	
30-025-00245-00-00	NORTH CAPROCK QUEEN UNIT	008	H	7	13S		32E	
30-025-00235-00-00	NORTH CAPROCK QUEEN UNIT	009	I	6	13S		32E	
30-025-00254-00-00	NORTH CAPROCK QUEEN UNIT	009	I	7	13S		32E	
30-025-00202-00-00	NORTH CAPROCK QUEEN UNIT	010	J	32	12S		32E	
30-025-24597-00-00	NORTH CAPROCK QUEEN UNIT	010Y	J	7	13S		32E	

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30-025-00230-00-00	NORTH CAPROCK QUEEN UNIT	011	K	6	13S	32E
30-025-00263-00-00	NORTH CAPROCK QUEEN UNIT	011	K	8	13S	32E
30-025-00244-00-00	NORTH CAPROCK QUEEN UNIT	011	K	7	13S	32E
30-025-00209-00-00	NORTH CAPROCK QUEEN UNIT	012	L	32	12S	32E
30-025-00216-00-00	NORTH CAPROCK QUEEN UNIT	012	L	5	13S	32E
30-025-00229-00-00	NORTH CAPROCK QUEEN UNIT	012	6	6	13S	32E
30-025-00260-00-00	NORTH CAPROCK QUEEN UNIT	012	L	8	13S	32E
30-025-00200-00-00	NORTH CAPROCK QUEEN UNIT	013	M	32	12S	32E
30-025-00261-00-00	NORTH CAPROCK QUEEN UNIT	013	M	8	13S	32E
30-025-00206-00-00	NORTH CAPROCK QUEEN UNIT	014	N	32	12S	32E
30-025-00232-00-00	NORTH CAPROCK QUEEN UNIT	014	N	6	13S	32E
30-025-00262-00-00	NORTH CAPROCK QUEEN UNIT	014	N	8	13S	32E
30-025-00227-00-00	NORTH CAPROCK QUEEN UNIT	015	O	6	13S	32E
30-025-00179-00-00	NORTH CAPROCK QUEEN UNIT	016	P	30	12S	32E
30-025-00131-00-00	NORTHEAST CAPROCK QUEEN UNIT	001	L	16	12S	32E
30-025-00133-00-00	NORTHEAST CAPROCK QUEEN UNIT	002	K	16	12S	32E
30-025-00135-00-00	NORTHEAST CAPROCK QUEEN UNIT	003	J	16	12S	32E
30-025-00129-00-00	NORTHEAST CAPROCK QUEEN UNIT	004	I	16	12S	32E
30-025-00124-00-00	NORTHEAST CAPROCK QUEEN UNIT	005	L	15	12S	32E
30-025-00138-00-00	NORTHEAST CAPROCK QUEEN UNIT	006	P	17	12S	32E
30-025-00132-00-00	NORTHEAST CAPROCK QUEEN UNIT	007	M	16	12S	32E
30-025-00134-00-00	NORTHEAST CAPROCK QUEEN UNIT	008	N	16	12S	32E
30-025-00136-00-00	NORTHEAST CAPROCK QUEEN UNIT	009	O	16	12S	32E
30-025-00137-00-00	NORTHEAST CAPROCK QUEEN UNIT	010	P	16	12S	32E
30-025-00125-00-00	NORTHEAST CAPROCK QUEEN UNIT	011	O	15	12S	32E
30-025-00126-00-00	NORTHEAST CAPROCK QUEEN UNIT	012	P	15	12S	32E

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30-025-00120-00-00	NORTHEAST CAPROCK QUEEN UNIT	013	M	14	12S	32E
30-025-00121-00-00	NORTHEAST CAPROCK QUEEN UNIT	014	N	14	12S	32E
30-025-00148-00-00	NORTHEAST CAPROCK QUEEN UNIT	015	B	20	12S	32E
30-025-00147-00-00	NORTHEAST CAPROCK QUEEN UNIT	016	A	20	12S	32E
30-025-00151-00-00	NORTHEAST CAPROCK QUEEN UNIT	017	D	21	12S	32E
30-025-00153-00-00	NORTHEAST CAPROCK QUEEN UNIT	018	C	21	12S	32E
30-025-00155-00-00	NORTHEAST CAPROCK QUEEN UNIT	019	B	21	12S	32E
30-025-00156-00-00	NORTHEAST CAPROCK QUEEN UNIT	020	A	21	12S	32E
30-025-00161-00-00	NORTHEAST CAPROCK QUEEN UNIT	021	D	22	12S	32E
30-025-00162-00-00	NORTHEAST CAPROCK QUEEN UNIT	022	C	22	12S	32E
30-025-00160-00-00	NORTHEAST CAPROCK QUEEN UNIT	023	B	22	12S	32E
30-025-00167-00-00	NORTHEAST CAPROCK QUEEN UNIT	025	D	23	12S	32E
30-025-00168-00-00	NORTHEAST CAPROCK QUEEN UNIT	026	C	23	12S	32E
30-025-00145-00-00	NORTHEAST CAPROCK QUEEN UNIT	027	G	20	12S	32E
30-025-00149-00-00	NORTHEAST CAPROCK QUEEN UNIT	028	H	20	12S	32E
30-025-00152-00-00	NORTHEAST CAPROCK QUEEN UNIT	029	E	21	12S	32E
30-025-00154-00-00	NORTHEAST CAPROCK QUEEN UNIT	030	F	21	12S	32E
30-025-00163-00-00	NORTHEAST CAPROCK QUEEN UNIT	031	H	22	12S	32E
30-025-00165-00-00	NORTHEAST CAPROCK QUEEN UNIT	032	E	23	12S	32E
30-025-00169-00-00	NORTHEAST CAPROCK QUEEN UNIT	033	F	23	12S	32E
30-025-00150-00-00	NORTHEAST CAPROCK QUEEN UNIT	034	L	21	12S	32E
30-025-28581-00-00	NORTHEAST CAPROCK QUEEN UNIT	035Y	N	16	12S	32E
30-025-08073-00-00	YOUNG UNIT	002	D	16	18S	32E
30-025-08078-00-00	YOUNG UNIT	003	A	17	18S	32E
30-025-08084-00-00	YOUNG UNIT	005	G	17	18S	32E
30-025-08077-00-00	YOUNG UNIT	006	H	17	18S	32E

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30-025-08072-00-00	YOUNG UNIT	007	E	16	18S	32E
30-025-08083-00-00	YOUNG UNIT	009	I	17	18S	32E
30-025-08081-00-00	YOUNG UNIT	010	K	17	18S	32E
30-025-08079-00-00	YOUNG UNIT	011	N	17	18S	32E
30-025-08096-00-00	YOUNG UNIT	012	D	20	18S	32E
30-025-08092-00-00	YOUNG UNIT	013	C	20	18S	32E
30-025-00862-00-00	YOUNG UNIT	014	B	20	18S	32E
30-025-08097-00-00	YOUNG UNIT	015	C	20	18S	32E
30-025-08093-00-00	YOUNG UNIT	016	E	20	18S	32E
30-025-00860-00-00	YOUNG UNIT	018	G	20	18S	32E
30-025-08094-00-00	YOUNG UNIT	019	H	20	18S	32E
30-025-08101-00-00	YOUNG UNIT	021	J	20	18S	32E
30-025-08099-00-00	YOUNG UNIT	022	K	20	18S	32E
30-025-08100-00-00	YOUNG UNIT	024	N	20	18S	32E
30-025-08091-00-00	YOUNG UNIT	025	O	20	18S	32E
30-025-00875-00-00	YOUNG UNIT	030	C	29	18S	32E

CASE 12771: Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring Sixty-Two (62) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 62 inactive wells located in Lea, Roosevelt and Chaves Counties, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

<u>OPERATOR</u>	<u>WELL NAME AND NO.</u>	<u>API #</u>	<u>ULSTR</u>	<u>CO.</u>
C. C. POLLARD	STATE B #001	30-025-04829	L-29-21S-36E	Lea
PRAIRIE SUN, INC.	GULF MCKAY FEDERAL #001	30-025-25471	N-34-18S-32E	Lea
PRAIRIE SUN, INC.	MORGAN FEDERAL #001	30-005-20667	3-06-10S-30E	Lea
PRIMAL ENERGY CORPORATION	HALE STATE #003	30-025-12581	H-02-25S-37E	Lea
PRIMAL ENERGY CORPORATION	M E HALE #001	30-025-11397	G-02-25S-37E	Lea
PRIMAL ENERGY CORPORATION	RAMSEY STATE #002	30-025-11375	K-36-24S-37E	Lea
PRIMAL ENERGY CORPORATION	RAMSEY STATE #005	30-025-11378	N-36-24S-37E	Lea
PROFESSIONAL OIL SERVICES INC.	KEOHANE #003	30-025-22935	K-06-20S-38E	Lea
PRO-GAS OPERATING INC	STATE A #001	30-025-03542	J-36-21S-35E	Lea

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PRO-GAS OPERATING INC	STATE A #002	30-025-03540	O-36-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	FOWLER B #001	30-025-28197	K-06-19S-38E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #003	30-025-11182	B-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #004	30-025-11183	F-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #005	30-025-21401	K-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	JENNINGS FEDERAL #004	30-025-25149	K-14-24S-32E	Lea
PRONGHORN MANAGEMENT CORP	MARSHALL #001	30-025-08358	4-19-23S-33E	Lea
PRONGHORN MANAGEMENT CORP	MARSHALL #005	30-025-25000	F-19-23S-33E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO BZ STATE NCT 5 #003	30-025-03523	E-29-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO BZ STATE NCT 5 #004	30-025-03524	F-29-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO BZ STATE NCT 5 #005	30-025-32362	D-29-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO DL STATE #006	30-025-28659	P-18-23S-33E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #001	30-025-03734	13-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #002	30-025-03735	12-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #003	30-025-03736	14-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #004	30-025-03737	11-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	GILA 4 DEEP #001	30-025-30872	G-04-25S-33E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #006	30-025-21478	F-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #007	30-025-21479	C-21-24S-37E	Lea
SABA ENERGY OF TEXAS INC	SAN SIMON 5 STATE #002	30-025-28480	G-05-22S-35E	Lea
SABA ENERGY OF TEXAS INC	FERN GUYE #001	30-025-34488	M-05-13S-36E	Lea
SF ENERGY OPERATING PARTNERS	WHITE SWAN 9 FEDERAL #003	30-025-32301	J-09-22S-32E	Lea
SMITH & MARRS INC	AMERICAN EAGLE #001	30-025-27163	M-22-26S-36E	Lea
SMITH & MARRS INC	CHRISITE #001	30-025-22991	A-19-11S-33E	Lea
SMITH & MARRS INC	LEA KN STATE #002	30-025-21070	B-17-17S-37E	Lea
SMITH & MARRS INC	SHULTS #002	30-025-05020	P-13-12S-37E	Lea
SMITH & MARRS INC	STATE HTA #001	30-025-21329	B-36-12S-33E	Lea
SMITH & MARRS INC	AZTEC STATE COM #003	30-025-27575	4-18-16S-37E	Lea
SMITH & MARRS INC	CORTLAND MYERS UNIT #006	30-025-11200	J-22-24S-37E	Lea
SMITH & MARRS INC	JAMISON #005	30-025-21152	H-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #006	30-025-20355	P-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #007	30-025-20354	I-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #008	30-025-20353	L-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #009	30-025-20352	L-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #010	30-025-20351	M-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #011	30-025-20350	M-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #012	30-025-21154	P-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #013	30-025-20613	P-21-24S-37E	Lea
SMITH & MARRS INC	MR WILLS FEDERAL #001	30-025-28499	D-34-26S-37E	Lea
SMITH & MARRS INC	NEW MEXICO CV STATE #002	30-025-26048	P-28-26S-36E	Lea

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SMITH & MARRS INC	STATE HTB SWD #001	30-025-21671	1-31-12S-34E	Lea
SPENCE ENERGY CO	KELLAHIN 14 STATE #002	30-025-29969	P-14-09S-32E	Lea
TENISON OIL CO	VAUGHN B 9 #001	30-025-09522	A-09-24S-36E	Lea
TEXLAND PETROLEUM, INC	J R HOLT #002	30-025-30582	3-02-17S-37E	Lea
TEXLAND PETROLEUM, INC	W D GRIMES NCT A #016	30-025-22627	D-32-18S-38E	Lea
W H BRININSTOOL	SHEARN STATE #001	30-025-27998	2-32-26S-37E	Lea

CASE 12771: Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring Sixty-Two (62) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 62 inactive wells located in Lea, Roosevelt and Chaves Counties, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

<u>OPERATOR</u>	<u>WELL NAME AND NUMBER</u>	<u>API #</u>	<u>ULSTR</u>	<u>COUNTY</u>
RW OIL CO	RENO FEDERAL #002	30-005-10151	M-03-15S-31E	Chaves
RW OIL CO	RENO FEDERAL #003	30-005-10152	K-03-15S-31E	Chaves
RW OIL CO	RENO FEDERAL #004	30-005-10153	N-03-15S-31E	Chaves
RW OIL CO	RENO FEDERAL #001	30-005-00548	L-03-15S-31E	Chaves

CASE 12771: Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring Sixty-Two (62) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 62 inactive wells located in Lea, Roosevelt and Chaves Counties, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

<u>OPERATOR</u>	<u>WELL NAME AND NUMBER</u>	<u>API #</u>	<u>ULSTR</u>	<u>COUNTY</u>
SMITH & MARRS INC	HAYES #003	30-041-00186	L-29-08S-37E	Roosevelt
SMITH & MARRS INC	HAYES #004	30-041-00187	N-29-08S-37E	Roosevelt
SMITH & MARRS INC	LAS CRUCES B #001	30-041-00234	1-30-08S-37E	Roosevelt

CASE 12726: Continued from November 1, 2001, Examiner Hearing.

Application for Order Shutting In Wells, Canceling Allowables and Assessing Civil Penalties, Eddy County, New Mexico. Applicant seeks an order shutting in 18 wells in Eddy County, New Mexico, and canceling their allowables until such time as Tom R. Cone, who has applied to the Division to assume operation of these wells files the additional bonds required by the Division, and assessing civil penalties against Cone for producing these wells without Division approval. The affected wells are the following, all of which are located in Eddy County, New Mexico:

<u>Well</u>	<u>API No.</u>	<u>Twsp</u>	<u>Range</u>	<u>Sec</u>	<u>Unit</u>
Carper Johnson A No. 2	30-015-05004	16S	31E	35	H
Federal 13 No. 1	30-015-04597	19S	30E	13	E
Federal 13 No. 2	30-015-04599	19S	30E	13	F
Kennedy Johnson A No. 1	30-015-05008	16S	31E	35	F
Kennedy Johnson A No. 2	30-015-05009	16S	31E	35	H

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Kennedy Johnson A No. 3	30-015-05010	16S	31E	35	L
Kennedy Johnson A No. 6	30-015-10165	16S	31E	35	M
North Shugart Queen Unit No. 1	30-015-05597	18S	31E	21	C
North Shugart Queen Unit No. 2	30-015-05592	18S	31E	21	D
North Shugart Queen Unit No. 3	30-015-05588	18S	31E	20	H
North Shugart Queen Unit No. 4	30-015-05591	18S	31E	21	E
North Shugart Queen Unit No. 5	30-015-05593	18S	31E	21	F
North Shugart Queen Unit No. 6	30-015-05598	18S	31E	21	K
North Shugart Queen Unit No. 7	30-015-05599	18S	31E	21	L
North Shugart Queen Unit No. 8	30-015-05586	18S	31E	20	I
North Shugart Queen Unit No. 9	30-015-05587	18S	31E	20	P
North Shugart Queen Unit No. 10	30-015-05590	18S	31E	21	M
North Shugart Queen Unit No. 11	30-015-05600	18S	31E	21	N

CASE 12757: Continued from November 1, 2001, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Marks and Garner Production Ltd. Co. to Properly Plug Seventeen (17) Wells, Authorizing the Division to Plug Said Wells in Default of Compliance by Marks and Garner Ltd. Co., Ordering a Forfeiture of Applicable Plugging Bond and Assessing Civil Penalties for False Production Reporting; Eddy County, New Mexico. The Applicant seeks an order requiring Marks and Garner Ltd. Co., the operator of seventeen (17) inactive wells in Eddy County, New Mexico to properly plug and abandon the same, authorizing the Division to plug said wells if the operator or its surety fails to do so, forfeiting Operator's plugging bond, and assessing civil penalties for false production reporting. The affected wells are the following:

<u>API NO.</u>	<u>WELL NAME AND NO.</u>	<u>UNIT/SEC./TWSP/RNG</u>	<u>FNS</u>	<u>FEW</u>
30-015-02784	Cave Pool Unit #1	O-33-16S-29E	660S	1780E
30-015-02892	Cave Pool Unit #3	A-04-17S-29E	985N	987E
30-015-02880	Cave Pool Unit #12	E-04-17S-29E	1980N	660E
30-015-02881	Cave Pool Unit #14	G-04-17S-29E	1980N	1980E
30-015-02875	Cave Pool Unit #16	E-03-17S-29E	1973N	330W
30-015-02886	Cave Pool Unit #19	K-04-17S-29E	1980S	1880W
30-015-02891	Cave Pool Unit #30	O-04-17S-29E	990S	2310E
30-015-02927	Cave Pool Unit #32	A-09-17S-29E	660N	660E
30-015-02926	Cave Pool Unit #41	E-08-17S-29E	1650N	330W
30-015-02903	Cave Pool Unit #51	L-05-17S-29E	1650S	990W
30-015-02912	Cave Pool Unit #53	H-07-17S-29E	1650N	330E
30-015-25090	Red Twelve Levers Federal #8Q	I-33-16S-29E	1980S	990E
30-015-25152	Red Twelve Levers Federal #12	D-33-16S-29E	660N	660W
30-015-24991	Red Twelve State #4	O-05-17S-29E	990S	2310E
30-015-25055	Red Twelve State #6	K-05-17S-29E	2310S	1650E
30-015-02889	State #2	C-04-17S-19E	990N	1980W
30-015-24732	Theos State #1	G-05-17S-29E	1650N	1650E

CASE 12772: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Wolfcamp production and designated as the Buzzard Canyon-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Blacktail "ATT" Federal Well No. 1 located in Unit K of Section 21, Township 20 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM

Section 21: S/2

- (b) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Wolfcamp production and designated as the Comanche-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Canner "AUF" State Com. Well No. 1 located in Unit M of Section 30, Township 10 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM

Section 30: W/2

- (c) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Pennsylvanian production and designated as the Cottonwood Ranch-Pennsylvanian Gas Pool. The discovery well is the Yates Petroleum Corporation Hewitt "IM" Federal Well No. 5 located in Unit I of Section 25, Township 6 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM

Section 25: S/2

- (d) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Pre-Permian production and designated as the North For Ranch-Pre-Permian Gas Pool. The discovery well is the Yates Petroleum Corporation Percentage "APR" Well No. 1 located in Unit O of Section 3, Township 8 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 3: E/2

- (e) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Cisco-Canyon production and designated as the Fren-Cisco-Canyon Pool. The discovery well is the Marbob Energy Corporation Poteet Strawberry Federal Well No. 1 located in Unit H of Section 10, Township 17 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 10: NE/4

- (f) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Glorieta-Yeso production and designated as the Red Lake Shores-Glorieta-Yeso Pool. The discovery well is the Chi Operating, Inc. Little Toot "9" State Well No. 1 located in Unit D of Section 9, Township 17 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 9: NW/4

- (g) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Pennsylvanian

production and designated as the Red Spring-Pennsylvanian Gas Pool. The discovery well is the Yates Petroleum Corporation Paulette "PV" State Well No. 6 located in Unit M of Section 16, Township 5 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 5 SOUTH, RANGE 25 EAST, NMPM

Section 16: W/2

- (h) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for San Andres production and designated as the Rio Penasco-San Andres Gas Pool. The discovery well is the Read & Stevens, Inc. West Dayton Well No. 1 located in Unit P of Section 19, Township 18 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM

Section 19: SE/4

- (i) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Atoka production and designated as the Strychnine Draw-Atoka Gas Pool. The discovery well is the Arco Permian Jaguar Federal "26" Well No. 1 located in Unit A of Section 26, Township 20 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM

Section 26: E/2

- (j) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Strawn production and designated as the Strychnine Draw-Strawn Gas Pool. The discovery well is the Arco Permian Jaguar Federal "26" Well No. 1 located in Unit A of Section 26, Township 20 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 21 EAST, NMPM

Section 26: E/2

- (k) EXTEND the West Atoka-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 25 EAST, NMPM

Section 3: N/2

Section 4: N/2

- (l) EXTEND the Avalon-Strawn Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 14: S/2

- (m) EXTEND the Benson-Bone Spring Pool in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 30 EAST, NMPM

Section 12: S/2

- (n) EXTEND the Big Sinks-Wolfcamp Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 32: E/2

- (o) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 15 SOUTH, RANGE 28 EAST, NMPM

Section 16: W/2

- (p) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 23: N/2

- (q) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 18: W/2

- (r) EXTEND the East Catclaw Draw-Delaware Pool in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 10: NW/4

- (s) EXTEND the Cedar Lake-Yeso Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 18: NE/4

- (t) EXTEND the Comanche Spring-Pre-Permian Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM

Section 35: E/2

- (u) EXTEND the East Eagle Creek-Atoka-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM

Section 19: W/2

- (v) EXTEND the Eagle Creek-Permo-Pennsylvanian Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM

Section 31: All

- (w) EXTEND the South Empire-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 23: W/2

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 9: E/2

Section 10: E/2

- (x) EXTEND the Empire-Wolfcamp Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 19: N/2 and SE/4

Section 30: NE/4

Section 33: N/2

- (y) EXTEND the Foor Ranch-Pre-Permian Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 16: NW/4

Section 33: S/2 and NE/4

Section 34: N/2

- (z) EXTEND the Northwest Foor Ranch-Pre-Permian Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 4: E/2

- (aa) EXTEND the Foor Ranch-Wolfcamp Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 15: S/2

Section 16: N/2 and SE/4

Section 33: All

Section 34: S/2

Section 35: SW/4

- (bb) EXTEND the Northwest Foor Ranch-Wolfcamp Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 33: SE/4

Section 34: S/2

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM

Section 3: SW/4

Section 10: W/2

- (cc) EXTEND the Logan Draw-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 24: SW/4

- (dd) EXTEND the Logan Draw-Wolfcamp Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 25: SE/4
Section 36: SW/4

(ee) EXTEND the Lost Tank-Delaware Pool in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 31 EAST, NMPM

Section 34: SE/4

(ff) EXTEND the South Millman-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 9: W/2

(gg) EXTEND the North Shugart-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 6: W/2

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

DOCKET: EXAMINER HEARING - THURSDAY – JANUARY 10, 2002

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

Docket Nos. 02-02 and 03-02 are tentatively set for January 24, 2002 and February 7, 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 12784: Application of XTO Energy Inc. for approval of surface commingling, San Juan County, New Mexico. Applicant seeks an order, pursuant to Division Rule 303.B, approving surface commingling of Blanco-Mesaverde Gas Pool and Basin-Dakota Gas Pool production from its Garcia Gas Com. B Well No. 1M, located in the S/2 of Section 21, Township 29 North, Range 10 West, with Aztec-Pictured Cliffs Gas Pool production from its Prespentt Gas Com. Well No. 1, located in the SE/4 of Section 21, Township 29 North, Range 10 West. The wells are located approximately 5 miles East of Bloomfield, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12775: Continued from December 6, 2001, Examiner Hearing.

Application of Concho Oil & Gas Corp. for compulsory pooling, an unorthodox oil well location and various non-standard proration and spacing units, 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 described acreage in Irregular Section 6, Township 16 South, Range 34 East, in the following manner: (i) Lots 3-6 and 11-14 to form a non-standard 298.36-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within said vertical extent, which presently may include but is not necessarily limited to the Hume-Morrow Gas Pool and Hume-Atoka Gas Pool; (ii) Lots 11-14 to form a non-standard 143.76-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and (iii) Lot 11 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent including but not limited to the Kenmitz Cisco Pool, the Wolcamp formation and the Strawn formation. The units are to be dedicated to its Big "D" State Well No. 1 to be drilled and completed at standard gas well location, but in the event of oil production, then an unorthodox oil well location 659 feet from the South line and 147.96 feet from the West line of Lot 11 of this section. Applicant further seeks an order prescribing terms ("operating provisions") pursuant to which future operations may be conducted in accordance with applicant's Joint Operating Agreement. 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 the applicant as the operator of the well and a charge for risk involved in said well. Said unit(s) is located approximately 11 miles northeast of Maljamar, New Mexico.

CASE 12778: Continued from December 6, 2001, Examiner Hearing.

Application of Devon Energy Production Company, L.P. to abolish the Special Rules and Regulations for the Buffalo Valley-Pennsylvanian Gas Pool, Chaves County, New Mexico. Applicant seeks an order abolishing the Special Rules and Regulations for the Buffalo Valley-Pennsylvanian Gas Pool and making the Division's statewide spacing and well location rules applicable to the pool. The pool covers all or portions of Sections 25, 26, 35, and 36, Township 14 South, Range 27 East, Section 31, Township 14 South, Range 28 East, Sections 1-4, 11-15, and 22-26, Township 15 South, Range 27 East, and Sections 6-8, 16-18, 20, and 21, Township 15 South, Range 28 East. The pool is centered approximately 10 miles southeast of Hagerman, New Mexico.

CASE 12785: Application of Apache Corporation for approval of a waterflood project, Lea County, New

Mexico. Applicant seeks approval for its proposed Gizzell Lease waterflood project located in the SE/4 of Section 8, Township 22 South, Range 37 East, for the injection of water into the Grayburg formation of the Penrose Skelly-Grayburg Pool from its Grizzell Well No. 11 located 1300 feet from the South line and 1139 feet from the East line of Section 8 through a perforated interval from 3580 feet to 3816 feet. The well is located approximately 3 miles south-southwest of Eunice, New Mexico.

CASE 12786: **Application of Matador Operating Company for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico.** Applicant seeks approval to drill and produce its Mershon Com Well No. 2 which is being drilled at an unorthodox well location 415 feet from the North line and 1201 feet from the West line (Unit D) of Section 21, Township 22 South, Range 23 East, to a total depth of approximately 8200 feet to test for gas production from the Indian Basin-Upper Pennsylvanian Gas Pool and to be simultaneously dedicated to an existing approved 360-acre non-standard proration and spacing unit consisting of the N/2 and the N/2 N/2 N/2 S/2 of this section which is currently dedicated to the Mershon Gas Com Well No. 1 located in Unit A of this spacing unit. This unit is located approximately 23 miles west of Carlsbad, New Mexico.

CASE 12787: **Application of Chesapeake Operating 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 described acreage in Section 20, Township 17 South, Range 35 East: (i) the E/2 NE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre oil spacing within this vertical extent; (ii) the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre gas spacing within this vertical extent; and (iii) 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 gas spacing within this vertical extent, including but not limited to the North Vacuum Atoka-Morrow Gas Pool. This unit(s) is to be dedicated to its Lee "20" Well No. 1 which will be located at a standard well location within Unit A of this section. Applicant further seeks an order prescribing terms ("operating provisions") pursuant to which future operations may be conducted in accordance with the applicant's Joint Operating Agreement. Also to be considered will be the costs of drilling and completing this 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 11 miles southeast of the center of the City of Lovington, New Mexico.

CASE 12762: **Continued from November 15, 2001, Examiner Hearing.**

Application of Paladin Energy Corp. for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Paladin Wolfcamp Exploratory Unit for an area comprising 80 acres, more or less, of state and fee lands in Sections 35 and 36, Township 13 South, Range 37 East, which is located approximately 9 miles east of McDonald, New Mexico.

CASE 12763: **Continued from November 15, 2001, Examiner Hearing.**

Application of Paladin Energy Corp. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox well location in the Wolfcamp formation, King-Wolfcamp Pool, for its State "C" Well No. 1 to be re-entered and recompleted at an unorthodox well location 1550 feet from the North line and 10 feet from the West line of Section 36, Township 13 South, Range 37 East. Said well is located approximately 9 miles east of McDonald, New Mexico.

CASE 12788: **Application of ARCO (BP) for simultaneous dedication, Eddy County, New Mexico.** Applicant

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seeks an exception to Division Rule 104.C.(2)(b) to permit the simultaneous dedication of the following wells to an existing 233.79-acre spacing and proration unit in the Morrow formation, Undesignated Little Box Canyon-Morrow Gas Pool, comprised of irregular Section 31, Township 20.5 South, Range 22 East:

- A. the Sweet Thing Federal Unit Well No. 5 to be drilled to test the Morrow A Zone at a location 660 feet from the North line and 1800 feet from the West line; and
- B. the Sweet Thing Federal Unit Well No. 2 which produces from the Morrow B Zone located at a standard gas well location 660 feet from the North and West lines.

Said wells are located approximately 20 miles south of Hope, New Mexico.

CASE 12764: Continued from December 6, 2001, Examiner Hearing.

Application of Discovery Exploration for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Lowe Exploratory Unit for an area comprising 80 acres of fee lands in Sections 28 and 29, Township 12 South, Range 38 East, which is located approximately 11 miles east of Tatum, New Mexico.

CASE 12765: Continued from December 6, 2001, Examiner Hearing.

Application of Discovery Exploration for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location in the Devonian formation, Trinity-Devonian Pool, for its Lowe Well No. 1 to be drilled at an unorthodox gas well location 2300 feet from the South line and 100 feet from the East line of Section 29, Township 12 South, Range 38 East. Said well is located approximately 11 miles east of Tatum, New Mexico.

CASE 12789: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 4, Township 19 South, Range 31 East as follows: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Shugart-Morrow Gas Pool, and the Undesignated Gatuna Canyon-Atoka Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; the W/2 SW/4 for all formations and/or pools developed on 80-acre spacing, and the SW/4 SW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool. Said unit is to be dedicated to its Red Cloud "4" Federal Com Well No. 1 to be drilled at a standard location 660 feet from the South line West lines of said Section 4 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 11 miles southeast of Loco Hills, New Mexico.

CASE 12790: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 17, Township 20 South, Range 34 East as follows: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool, Undesignated South Quail Ridge-Atoka

Gas Pool, and the Undesignated Lea Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing ; the W/2 NW/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Featherstone-Bone Springs Pool, and the NW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Southeast Teas-Delaware Pool, Undesignated Teas-Bone Springs Pool and the Undesignated Teas Yates-Seven Rivers Pool Said well is to be dedicated to its Mesquite "17" Federal Well No. 1 to be drilled at a standard location 660 feet from the North and West lines of said Section 17 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles East of Halfway, New Mexico.

CASE 12791: **Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 31, Township 18 South, Range 34 East as follows: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Quail Ridge-Morrow Gas Pool, the Undesignated West La Rica-Morrow Gas Pool; the SE/4 for all formations and/or pools developed on 160-acre; the N/2 SE/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated EK-Bone Springs Pool, and the NE/4 SE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated EK-Delaware Pool. Said unit is to be dedicated to its Wapiti "31" State Com Well No. 1 to be drilled at a standard location 1650 feet from the South line and 660 feet from the East line of said Section 31 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 12 miles northeast of Halfway, New Mexico.

CASE 12773: **Continued from December 6, 2001, Examiner Hearing.**

Application of KUKUI Operating Company for compulsory pooling and a non-standard gas spacing and proration unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface through the base of the Morrow formation in the following described non-standard spacing and proration unit located in irregular Section 6, Township 16 South, Range 35 East, comprised of Lots 1, 2, 7, 8, 9, 10, 15 and 16 containing 329.83 acres for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Eidson-Morrow Gas Pool. This pooled unit is to be dedicated to KUKUI's DeGas "6" State Com Well No. 1 to be drilled at a standard location 1980 feet from the North line and 1200 feet from the East line of said Section 6 to a depth sufficient to test any and all formations from the surface through the Morrow formation. Also to be considered will be the cost of drilling and completing said well, the allocation of the cost thereof as well as actual operating costs and charges for supervision, provisions governing subsequent operations on the pooled unit, 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.

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CASE 12320: Continued from December 6, 2001, Examiner Hearing.

Application of Chevron U.S.A. Production Co. for Approval to convert the EMSU Wells No. 210, 212, 222, 252 and 258 to Injection in the Eunice Monument South Unit, Lea County, New Mexico. Applicant seeks approval to convert its EMSU Wells No. 210, 212, 222, 252 and 258 to injection in the Eunice Monument South Unit (EMSU). These wells are designed to improve recovery efficiency of the waterflood patterns and enhance production of the EMSU secondary recovery project. The wells are located in the following locations: No. 210 - Section 4, Unit K, Township 21 South, Range 36 East; No. 252 - Section 5, Unit I, Township 21 South, Range 36 East; No. 222 - Section 6, Unit O, Township 21 South, Range 36 East; No. 252 - Section 6, Unit W, Township 21 South, Range 36 East; No. 258 - Section 4, Unit U, Township 21 South, Range 36 East. Water will be injected into the unitized interval of the Eunice Monument Grayburg-San Andres Pool which has an upper limit of 100 feet below mean sea level or the top of the Grayburg formation, whichever is higher, to a lower limit of the base of the San Andres formation. Injection will occur at an expected maximum pressure rate of 1500 barrels of water per day and an expected maximum pressure of 750 pounds per square inch. This area is approximately one mile west-southwest of Oil Center, New Mexico.

CASE 12753: Continued from December 20, 2001, Examiner Hearing.

Application of David H. Arrington Oil & 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 Mississippian formation underlying the W/2 of Section 36, Township 16 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 Undesignated South Shoe Bar-Morrow Gas Pool and Undesignated Shoe Bar-Mississippian Gas Pool. The unit is to be dedicated to applicant's Double Hackle Drake "36' State Well No. 1, to be drilled at an orthodox location in the NW/4 NW/4 of Section 36. 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 6 miles southwest of Lovington, New Mexico.

CASE 12792: Application of the New Mexico Oil Conservation Division for an Order Requiring Kelly H. Baxter to Properly Plug Seven (7) Wells, Imposing Civil Penalties in Event of Failure to Comply, Authorizing the Division to Plug Said Wells in Default of Compliance by Kelly H. Baxter or His Surety, and Ordering a Forfeiture of Applicable Plugging Bond; Lea County, New Mexico. The Applicant seeks an order requiring Kelly H. Baxter, the operator of seven (7) 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 or its sureties fails to do so, forfeiting Operator's plugging bond, and providing for such other relief as the Director deems appropriate. The affected wells are the following:

API WELL #	Well Name	Well #	Operator Name	Type	Sta t	County	Surf Owner	UL	Sec	Twp	N/S	Rng	W/E
30-025-21925	STATE FP	001	KELLY H BAXTER	O	A	Lea	S	O	23	16S		33E	
30-025-25238	WALLEN FEE	001	KELLY H BAXTER	O	A	Lea	P	D	28	20S		34E	
30-025-25283	WALLEN FEE	002	KELLY H BAXTER	O	A	Lea	P	C	28	20S		34E	
30-025-27961	STATE 26	001	KELLY H BAXTER	S	A	Lea	S	B	26	12S		32E	

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30-025-28227	STATE WES	001	KELLY H BAXTER	O	S	Lea	S	A	20	14	S	33	E
30-025-29664	SPEIGHT	001	KELLY H BAXTER	O	A	Lea	P	A	15	13	S	38	E
30-025-29935	SPEIGHT	002	KELLY H BAXTER	S	A	Lea	P	H	15	13	S	38	E

CASE 12733-A: Continued from October 4, 2001, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring Fifty-Six (56) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Eddy and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 56 inactive wells located in Eddy and Chaves Counties, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

In Eddy County, New Mexico:

Well	API No.	Twsp	Range	Sec.	Unit
Aceco Petroleum-Graridge State #3	30-015-01904	18S	28E	17	L
Aceco Petroleum-Welch State #4	30-015-10452	18S	28E	17	K
Dinero Operating-Big Chief Com #1	30-015-22474	22S	28E	22	F
NGX-Guacamayo #1	30-015-22080	21S	27E	06	P
NGX-Tecolote State #1	30-015-27346	21S	28E	02	K
Read & Stevens-Amoco Skeeter #1	30-015-24558	16S	31E	14	E
Read & Stevens-Bunker Hill Water Flood Unit #2	30-015-24271	16S	31E	13	D
Read & Stevens-Bunker Hill Water Flood Unit #28	30-015-24387	16S	31E	23	K
Read & Stevens-Jamie Federal #2	30-015-26567	18S	31E	14	E
Wiser Oil Co-Lea C#3	30-015-05131	17S	31E	11	D
Wiser Oil Co-Lea C#14	30-015-20705	17S	31E	11	I
Wiser Oil Co-Skelly Unit #13	30-015-05323	17S	31E	21	K
Wiser Oil Co-Skelly Unit #123	30-015-22257	17S	31E	22	M
Wiser Oil Co-Skelly Unit #161	30-015-28140	17S	31E	28	K
Amtex Energy-Malco #1	30-015-00759	18S	27E	03	A
Amtex Energy-Malco #2	30-015-01208	18S	27E	03	A
Bird Creek Resources-Williams #1	30-015-23907	23S	28E	25	N
Burnett Oil Co-Gissler B#11	30-015-04301	17S	30E	23	J
Lindenmuth & Associates-Gorman State #1	30-015-00054	19S	24E	36	C
Mar Oil & Gas-DD 24 Federal #1	30-015-24496	19S	24E	24	P
Aceco Petroleum-Adkins Williams State #2	30-015-01916	18S	28E	17	O
Aceco Petroleum-Adkins Williams State #5	30-015-01919	18S	28E	17	O
Aceco Petroleum-Welch State #1	30-015-01908	17S	28E	17	K
NGX Company-State #1	30-015-23100	21S	28E	02	L
Read & Stevens-Bunker Hill Water Flood Unit #6	30-015-24270	16S	31E	13	F
Read & Stevens-Bunker Hill Water Flood Unit #9	30-015-10360	16S	31E	13	L
Read & Stevens-Bunker Hill Water Flood Unit #15	30-015-23608	16S	31E	14	P
Read & Stevens-Bunker Hill Water Flood Unit #17	30-015-23700	16S	31E	13	N
Read & Stevens-Bunker Hill Water Flood Unit #19	30-015-23609	16S	31E	24	D
Wiser Oil Co-Skelly Unit #3	30-015-05347	17S	31E	22	D
Wiser Oil Co-Skelly Unit #17	30-015-05153	17S	31E	15	B
Wiser Oil Co-Skelly Unit #18	30-015-05154	17S	31E	15	D

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Wiser Oil Co-Skelly Unit #42	30-015-05356	17S	31E	22	B
Wiser Oil Co-Skelly Unit #45	30-015-05346	17S	31E	22	G
Wiser Oil Co-Skelly Unit #46	30-015-05357	17S	31E	22	H
Wiser Oil Co-Skelly Unit #47	30-015-05364	17S	31E	23	E
Wiser Oil Co-Skelly Unit #52	30-015-05345	17S	31E	22	J
Wiser Oil Co-Skelly Unit #56	30-015-05350	17S	31E	22	N
Wiser Oil Co-Skelly Unit #57	30-015-05353	17S	31E	22	O
Wiser Oil Co-Skelly Unit #89	30-015-05429	17S	31E	28	B
Wiser Oil Co-Skelly Unit #102	30-015-05147	17S	31E	14	B
Wiser Oil Co-Skelly Unit #67	30-015-05339	17S	31E	21	J
Wiser Oil Co-Skelly Unit #72	30-015-05372	17S	31E	23	K
Wiser Oil Co-Skelly Unit #85	30-015-05422	17S	31E	27	B
Wiser Oil Co-Skelly Unit #103	30-015-05148	17S	31E	14	C
Wiser Oil Co-Skelly Unit #105	30-015-05149	17S	31E	14	F
Wiser Oil Co-Skelly Unit #264	30-015-28999	17S	31E	27	C
Burnett Oil Co-Gissler B#7	30-015-04120	17S	30E	11	B
Burnett Oil Co-Gissler B(A-2)#27	30-015-25987	17S	30E	12	L
Burnett Oil Co-Jackson B#4	30-015-04036	17S	30E	01	D

In Chaves County, New Mexico:

Well	API No.	Twsp	Range	Sec.	Unit
Read & Stevens-Buffalo Valley Com #1	30-005-60014	15S	27E	02	F
Read & Stevens-Jackson #1	30-005-20422	12S	30E	25	I
Read & Stevens-Sulimar #1	30-005-60194	15S	29E	26	K
Read & Stevens-Sulimar #2	30-005-60206	15S	29E	26	M
Read & Stevens-West Haystack Federal #5	30-005-62991	06S	27E	19	F
Julian Ard-Acme #1	30-005-61891	19S	24E	36	C

CASE 12757: Continued from December 6, 2001, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Marks and Garner Production Ltd. Co. to Properly Plug Seventeen (17) Wells, Authorizing the Division to Plug Said Wells in Default of Compliance by Marks and Garner Ltd. Co., Ordering a Forfeiture of Applicable Plugging Bond and Assessing Civil Penalties for False Production Reporting; Eddy County, New Mexico. The Applicant seeks an order requiring Marks and Garner Ltd. Co., the operator of seventeen (17) inactive wells in Eddy County, New Mexico to properly plug and abandon the same, authorizing the Division to plug said wells if the operator or its surety fails to do so, forfeiting Operator's plugging bond, and assessing civil penalties for false production reporting. The affected wells are the following:

<u>API NO.</u>	<u>WELL NAME AND NO.</u>	<u>UNIT/SEC./TWSP/RNG</u>	<u>FNS</u>	<u>FEW</u>
30-015-02784	Cave Pool Unit #1	O-33-16S-29E	660S	1780E
30-015-02892	Cave Pool Unit #3	A-04-17S-29E	985N	987E
30-015-02880	Cave Pool Unit #12	E-04-17S-29E	1980N	660E
30-015-02881	Cave Pool Unit #14	G-04-17S-29E	1980N	1980E
30-015-02875	Cave Pool Unit #16	E-03-17S-29E	1973N	330W
30-015-02886	Cave Pool Unit #19	K-04-17S-29E	1980S	1880W
30-015-02891	Cave Pool Unit #30	O-04-17S-29E	990S	2310E
30-015-02927	Cave Pool Unit #32	A-09-17S-29E	660N	660E

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30-015-02926	Cave Pool Unit #41	E-08-17S-29E	1650N	330W
30-015-02903	Cave Pool Unit #51	L-05-17S-29E	1650S	990W
30-015-02912	Cave Pool Unit #53	H-07-17S-29E	1650N	330E
30-015-25090	Red Twelve Levers Federal #8Q	I-33-16S-29E	1980S	990E
30-015-25152	Red Twelve Levers Federal #12	D-33-16S-29E	660N	660W
30-015-24991	Red Twelve State #4	O-05-17S-29E	990S	2310E
30-015-25055	Red Twelve State #6	K-05-17S-29E	2310S	1650E
30-015-02889	State #2	C-04-17S-19E	990N	1980W
30-015-24732	Theos State #1	G-05-17S-29E	1650N	1650E

CASE 12793: In the matter of the hearing called by the Oil Conservation Division for an order creating, contracting vertical limits, redesignating, and extending certain pools in Chaves and Lea Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Strawn production and designated as the Corbin-Strawn Gas Pool. The discovery well is the EOG Resources Inc. Corbin 18 Federal Com. Well No. 2 located in Unit O of Section 18, Township 18 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 18: S/2

(b) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Delaware production and designated as the North Diamondtail-Delaware Pool. The discovery well is the Pogo Producing Company Aracanga Federal Well No. 1 located in Unit O of Section 4, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 4: SE/4

(c) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Mississippian production and designated as the Eight Mile Draw-Mississippian Gas Pool. The discovery well is the Yates Petroleum Corporation Comet AUC State Well No. 1 located in Unit O of Section 23, Township 11 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 34 EAST, NMPM
Section 23: S/2

(d) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Wolfcamp production and designated as the North Feather-Wolfcamp Pool. The discovery well is the Yates Petroleum Corporation Wings AUT State Well No. 1 located in Unit M of Section 17, Township 15 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 17: SW/4

(e) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the Four Lakes-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation Indigo State Unit Well No. 1 located in Unit A of Section 7, Township 12 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 35 EAST, NMPM

Section 7: E/2

(f) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the North Morton-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation North Papalotes State Unit Well No. 1 located in Unit A of Section 36, Township 14 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM

Section 36: N/2

(g) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Mississippian production and designated as the Sand Springs-Mississippian Gas Pool. The discovery well is the Yates Petroleum Corporation East Sand Springs Unit Well No. 3 located in Unit N of Section 6, Township 11 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM

Section 6: E/2 SW/4 and Lots 3, 4, 5 and 6

(h) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Atoka-Morrow production and designated as the East Tobac-Atoka-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation Tres Canal State Unit Well No. 1 located in Unit K of Section 26, Township 8 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM

Section 26: W/2

(i) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the Townsend-Atoka Gas Pool. The discovery well is the Nadel & Gussman Permian LLC. E. L. Harrod Well No. 1 located in Unit K of Section 5, Township 16 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM

Section 5: SW/4 and Lots 11, 12, 13 and 14

(j) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the Wilson-Atoka Gas Pool. The discovery well is the Maynard Oil Company Wilson Deep Unit Well No. 2-Y located in Unit D of Section 13, Township 21 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 13: W/2

(k) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Morrow production and designated as the X-4 Ranch-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation Hytech AUM State Well No. 1 located in Unit M of Section 2, Township 10 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 34 EAST, NMPM

Section 2: S/2

(l) EXTEND the Antelope Ridge-Atoka Gas Pool in Lea County, New Mexico, to include:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 21: N/2 SE/4

- (m) EXTEND the South Antelope Ridge-Cherry Canyon Pool in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM

Section 22: NE/4

- (n) EXTEND the South Big Dog-Strawn Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 2: SW/4

Section 11: NW/4

- (o) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 14: NW/4

- (p) EXTEND the Bootleg Ridge-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM

Section 24: S/2

- (q) EXTEND the West Cato-San Andres Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM

Section 5: SW/4

- (r) EXTEND the North Eidson-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM

Section 24: E/2

Section 25: N/2

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 19: W/2

- (s) EXTEND the Southwest Eunice-San Andres Pool in Lea County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM

Section 4: NW/4

- (t) EXTEND the East Fowler-Ellenburger Pool in Lea County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM

Section 7: SE/4

- (u) EXTEND the North Hardy-Strawn Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 19: SW/4

- (v) EXTEND the North Hardy-Tubb-Drinkard Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 26: SE/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 30: SE/4

- (w) EXTEND the Kemnitz-Cisco Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 8: NW/4

- (x) EXTEND the Kemnitz-Lower Wolfcamp Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 9: SW/4

- (y) EXTEND the Northeast Lovington-Upper Pennsylvanian Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 9: NW/4

- (z) EXTEND the North Lovington-Wolfcamp Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM
Section 14: NW/4

- (aa) EXTEND the East Lusk-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 22: N/2
Section 23: N/2

- (bb) EXTEND the North Lusk-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 21: W/2 and SE/4

- (cc) CONTRACT the vertical limits of the North Morton-Permo Pennsylvanian Pool in Lea County, New Mexico to include only the Wolfcamp, Cisco, Canyon and Strawn formations and redesignate said pool as the North Morton-Permo Upper Pennsylvanian Pool.

- (dd) EXTEND the Nadine-Drinkard-Abo Pool in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 38 EAST, NMPM

Section 24: NE/4

- (ee) EXTEND the West Osudo-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 35 EAST, NMPM

Section 35: SW/4

- (ff) EXTEND the Penrose Skelly-Grayburg Pool in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 10: NE/4

Section 11: NW/4

- (gg) EXTEND the South Quail Ridge-Yates Pool in Lea County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 28: NE/4

- (hh) EXTEND the Quercho Plains-Queen Associated Pool in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 26: NE/4

- (ii) EXTEND the Shoe Bar-Atoka Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 4: N/2

- (jj) EXTEND the North Shoe Bar-Atoka Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 10: NW/4

Section 14: W/2

- (kk) EXTEND the South Shoe Bar-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 33: E/2

Section 34: SW/4

- (ll) EXTEND the North Shoe Bar-Strawn Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM

Section 14: SE/4

- (mm) EXTEND the Teas-Bone Spring Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM

Section 3: NE/4

(nn) EXTEND the Teas-Delaware Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 3: N/2

(oo) CONTRACT the vertical limits of the Tobac-Pennsylvanian Pool in Chaves County, New Mexico to include only the Cisco, Canyon and Strawn formations and redesignate said pool as the Tobac-Upper Pennsylvanian Pool.

(pp) EXTEND the North Townsend-Mississippian Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 24: W/2

(qq) EXTEND the Townsend-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 15: W/2
Section 22: W/2

(rr) EXTEND the Trinity-Wolfcamp Pool in Lea County, New Mexico to include:

TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 22: SE/4
Section 27: N/2 and SW/4

(ss) EXTEND the North Vacuum-Atoka-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 5: S/2
Section 6: All

(tt) EXTEND the Vacuum-Blinbry Pool in Lea County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 26: SW/4

(uu) EXTEND the Wantz-Abo Pool in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 7: SE/4

(vv) EXTEND the Weir-Blinbry Pool in Lea County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM
Section 3: E/2

(ww) EXTEND the Wilson-Morrow Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 2: S/2

Section 24: N/2

- (xx) EXTEND the South Wilson-Pennsylvanian Gas Pool in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 34 EAST, NMPM

Section 23: NE/4

- (yy) EXTEND the North Young-Bone Spring Pool in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM

Section 6: SE/4

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

DOCKET: EXAMINER HEARING - THURSDAY – March 7, 2002
8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 08-02 and 09-02 are tentatively set for March 21, 2002 and April 4, 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 12813: Continued from February 21, 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 Section 7, 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 "7" Well No. 1 which is to be located in Unit B of Section 7 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 Northeast of Kirtland, New Mexico.

CASE 12826: **Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the E/2 of Section 17, Township 18 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 North Illinois-Morrow Gas Pool. The unit is to be dedicated to applicant's Illinois Camp "17" State Com. Well No. 1, drilled at an orthodox location in the NW/4 SE/4 of Section 17. Also to be considered will be the designation of applicant as operator of the well. The unit is located approximately 12 miles east-southeast of Atoka, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12795: Continued from February 21, 2002, Examiner Hearing.

Application of Chaparral Energy, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.C (3) for its existing Crosby Deep Well No. 1 (API No. 30-025-23891), to be recompleted up-hole into the Devonian formation at an unorthodox gas well location 330 feet from the South line and 1980 feet from the West line (Unit N) of Section 28, Township 25 South, Range 37 East. The SW/4 of Section 28 is to be dedicated to this well in order to form a standard 160-acre gas spacing and proration unit for the Crosby-Devonian Gas Pool. This unit is located approximately two miles east of Jal, New Mexico.

CASE 12827: **Application of XTO Energy Inc. for approval of surface commingling, San Juan County, New Mexico.** Applicant seeks an order, pursuant to Division Rule 303.B, approving surface commingling of Blanco-Mesaverde Gas Pool production from its Armenta Gas Com. C Well No. 1A, located in the N/2 of Section 27, Township 29 North, Range 10 West, with Basin-Fruitland Coal Gas Pool production from its Armenta Gas Com. G Well No. 1, located in the E/2 of Section 27, Township 29 North, Range 10 West. The wells are located approximately 6 miles east of Bloomfield, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12828: **Application of David H. Arrington Oil & 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

Mississippian formation underlying the following described acreage in Section 1, Township 15 South, Range 34 East, and in the following manner: The NE/4 NE/4 of Section 1 to form a 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 the Undesignated North Morton-Permo Pennsylvanian Pool and Undesignated Morton-Wolfcamp Pool; the N/2 NE/4 of Section 1 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within that vertical extent, including the Undesignated Morton-Lower Wolfcamp Pool; the NE/4 of Section 1 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; and the E/2 of Section 1 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 North Morton-Atoka Gas Pool, Undesignated East Morton-Morrow Gas Pool, and Undesignated Morton-Mississippian Gas Pool. The units are to be dedicated to applicant's Big Black Ant Well No. 1, to be drilled at an orthodox location in the NE/4 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 units are located approximately 9½ miles northwest of Lovington, New Mexico.

CASE 12829: 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 following described acreage in Section 36, Township 17 South, Range 29 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 but not limited to the Undesignated Sand Tank-Strawn Gas Pool and Undesignated Sand Tank-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. The units are to be dedicated to applicant's Kodiak State Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SE/4 (Unit P) of Section 36. 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 3 miles southwest of Loco Hills, New Mexico.

CASE 12830: Application of Southwestern Energy Production 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 Mississippian formation underlying Lots 1-4 and the E/2 W/2 (the W/2 equivalent) of Section 18, Township 18 South, Range 28 East, to form a non-standard 334.68-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 North Illinois Camp-Morrow Gas Pool. The unit is to be dedicated to applicant's Leatherstocking "18" State Com. Well No. 1, to be drilled at an orthodox gas well location in Lot 1 (Unit D) of Section 18. 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 10½ miles east-southeast of Atoka, New Mexico.

CASE 12762: This case will be continued to the May 2, 2002, Examiner Hearing.

Application of Paladin Energy Corp. for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Paladin Wolfcamp Exploratory Unit for an area comprising 80 acres, more or less, of state and fee lands in Sections 35 and 36, Township 13 South, Range 37

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East, which is located approximately 9 miles east of McDonald, New Mexico.

CASE 12763: This case will be continued to the May 2, 2002, Examiner Hearing.

Application of Paladin Energy Corp. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox well location in the Wolfcamp formation, King-Wolfcamp Pool, for its State "C" Well No. 1 to be re-entered and recompleted at an unorthodox well location 1550 feet from the North line and 10 feet from the West line of Section 36, Township 13 South, Range 37 East. Said well is located approximately 9 miles east of McDonald, New Mexico.

CASE 12540: Continued from February 7, 2002, Examiner Hearing.

In the matter of Case 12540 being reopened pursuant to the provisions of Division Order No. R-11526, which order promulgated temporary special pool rules for the Arena Blanca-Entrada Pool in McKinley County, New Mexico. Operators in the Arena Blanca-Entrada Pool should appear and show cause why the temporary special rules for the pool should not be rescinded.

CASE 12812: Continued from February 21, 2002, Examiner Hearing.

Application of Agave Energy Company for Approval of a Salt Water Disposal Well, Eddy County, New Mexico. Applicant seeks approval to utilize its Metropolis "AZL" State Com Well No. 1 (API No. 30-015-31905) located 1650 feet from the South and West lines (Unit K) of Section 36, Township 18 South, Range 25 East, to dispose of produced water into the Devonian and Ellenburger formations from a depth of 9,900 feet to 11,400 feet. This well is located approximately 4 miles northwest of Lakewood, New Mexico.

CASE 12831: **Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico.** Applicant seeks approval of the New Grass State Exploratory Unit for an area comprising 3200 acres of State of New Mexico lands in Sections 9, 15, 16, 21, 22, 23, and 24 of Township 15 South, Range 34 East, which is located approximately 7 miles northwest of Lovington, New Mexico.

CASE 12832: **Application of Yates Petroleum Corporation for an unorthodox gas well location, Chaves County, New Mexico.** Applicant seeks an exception to the applicable gas well location set-back requirements governing all formations or pools from the surface to the base of the Granite Wash or top of the basement formation for its Pay "Ayy" Federal Com. Well No. 1 to be drilled 660 feet from the North line and 330 feet from the West line (Unit D) of Section 11, Township 8 South, Range 26 East, to be dedicated to the following described spacing units: (i) the W/2 of Section 11 to form a standard 320-acre stand-up gas spacing unit for all formations or pools developed on 320-acre spacing, which presently includes but not necessarily limited to the North Four Ranch-PrePermian Gas Pool; and (ii) the NW/4 to form a standard 160-acre spacing and proration unit for all formations or pools developed on 160-acre spacing, which presently includes but not necessarily limited to the Pecos Slope-Abo Gas Pool. The proposed well location is approximately one mile north of U.S. Highway No. 70 at mile marker No. 357.

CASE 12320: Continued from February 7, 2002, Examiner Hearing.

Application of Chevron U.S.A. Production Co. for Approval to convert the EMSU Wells No. 210, 212, 222, 252 and 258 to Injection in the Eunice Monument South Unit, Lea County, New Mexico. Applicant seeks approval to convert its EMSU Wells No. 210, 212, 222, 252 and 258 to injection in the Eunice Monument South Unit (EMSU). These wells are designed to improve recovery

efficiency of the waterflood patterns and enhance production of the EMSU secondary recovery project. The wells are located in the following locations: No. 210 - Section 4, Unit K, Township 21 South, Range 36 East; No. 252 - Section 5, Unit I, Township 21 South, Range 36 East; No. 222 - Section 6, Unit O, Township 21 South, Range 36 East; No. 252 - Section 6, Unit W, Township 21 South, Range 36 East; No. 258 - Section 4, Unit U, Township 21 South, Range 36 East. Water will be injected into the unitized interval of the Eunice Monument Grayburg-San Andres Pool which has an upper limit of 100 feet below mean sea level or the top of the Grayburg formation, whichever is higher, to a lower limit of the base of the San Andres formation. Injection will occur at an expected maximum pressure rate of 1500 barrels of water per day and an expected maximum pressure of 750 pounds per square inch. This area is approximately one mile west-southwest of Oil Center, New Mexico.

CASE 12764: Continued from January 10, 2002, Examiner Hearing.

Application of Discovery Exploration for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Lowe Exploratory Unit for an area comprising 80 acres of fee lands in Sections 28 and 29, Township 12 South, Range 38 East, which is located approximately 11 miles east of Tatum, New Mexico.

CASE 12765: Continued from January 10, 2002, Examiner Hearing.

Application of Discovery Exploration for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox gas well location in the Devonian formation, Trinity-Devonian Pool, for its Lowe Well No. 1 to be drilled at an unorthodox gas well location 2300 feet from the South line and 100 feet from the East line of Section 29, Township 12 South, Range 38 East. Said well is located approximately 11 miles east of Tatum, New Mexico.

CASE 12806: Continued from February 21, 2002, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 32, Township 18 South, Range 31 East, as follows: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Shugart-Morrow Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing; and the SE/4 NE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool. Said units are to be dedicated to its Red Cloud "32" State Com Well No. 2 to be drilled at a standard location 1980 feet from the North line and 660 feet from the East line of said Section 32 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 10 miles southeast of Loco Hills, New Mexico.

CASE 12807: Continued from February 21, 2002, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 32, Township 18 South, Range 31 East, as follows: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Shugart-Morrow Gas Pool; the SE/4 for all formations and/or pools

developed on 160-acre spacing; and the SE/4 SE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool. Said units are to be dedicated to its Red Cloud "32" State Com Well No. 1 to be drilled at a standard location 660 feet from the South and East lines of said Section 32 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 10.5 miles southeast of Loco Hills, New Mexico.

CASE 12790: Continued from February 21, 2002, Examiner Hearing.

Amended Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 17, Township 20 South, Range 34 East as follows: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool, Undesignated South Quail Ridge-Atoka Gas Pool, and the Undesignated Lea Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; the W/2 NW/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Featherstone-Bone Springs Pool, and the NW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Southeast Teas-Delaware Pool, Undesignated Teas-Bone Springs Pool and the Undesignated Teas Yates-Seven Rivers Pool. Said well is to be dedicated to its Mesquite "17" Federal Well No. 1 to be drilled at a standard location 660 feet from the North and West lines of said Section 17 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles East of Halfway, New Mexico.

CASE 12819: Continued from February 21, 2002, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 14, Township 19 South, Range 31 East, as follows: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Greenwood-Morrow Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Lusk-Strawn Pool, and the NW/4 SW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Hackberry-Delaware Pool, Undesignated West Lusk-Yates Pool, Undesignated Shugart-Yates-Seven Rivers-Queen-Grayburg Pool and the West Lusk-Bone Spring Pool. Said well is to be dedicated to its Chaparral "14" Federal Well No. 1 to be drilled at a standard location 1980 feet from the South line and 660 feet from the West line of said Section 14 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well

and a charge for risk involved in drilling said well. Said area is located approximately 16 miles southeast of Loco Hills, New Mexico.

CASE 12820: Continued from February 21, 2002, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 5, Township 19 South, Range 33 East as follows: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Corbin-Morrow Gas Pool and the Buffalo-Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated West Tonto-Wolfcamp Pool, Undesignated Tonto-Bone Spring Pool, Undesignated Buffalo-Queen Pool and the Buffalo-Yates Pool. Said well is to be dedicated to its Gem North "5" Federal Com Well No. 1 to be drilled at a standard location 2310 feet from the North line and 660 feet from the West line of said Section 5 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well, imposition of a charge for risk involved in drilling said well and whether excessive royalty burdens upon certain leases should be subject to the charge for risk imposed by this order. Said area is located approximately 24 miles southeast of Loco Hills, New Mexico.

CASE 12112: Reopened

Application of Vanco Oil & Gas Corp. and its affiliate CBS Operating Corp. for amendment of Division Order No. R-11435 to authorize a pressure maintenance project in the North Square lake Unit Area, establish procedures for approval of additional injection wells, and for Qualification of the project area for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act, Eddy County, New Mexico. Applicant seeks amendment of Division Order No. R-11435 which approved a waterflood project in the North Square Lake Unit Area to authorize a pressure maintenance project by injection of water into the Grayburg and San Andres formations through and additional injection wells to be either drilled or re-completed to injection in the North Square Lake Unit Area with injection to be allowed once all remedial work, if any, has been performed in the 1/2 mile area of review for each proposed injection well as required by the rules of the Oil Conservation Division. Applicants also seek the establishment of an administrative procedure whereby additional wells within the North Square Lake Unit Area can be drilled and/or converted to injection without the necessity of additional hearings and to qualify this project for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act. The North Square Lake Unit is located in the following described lands in Eddy County, New Mexico:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM

Section 25:	E/2
Section 36:	N/2

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM

Section 19:	S/2
Section 20:	S/2
Section 27:	SW/4, W/2 SE/4, SE/4 SE/4, SW/4 NE/4 S/2 NW/4, NW/4 NW/4
Section 28 -34:	All

The unit area is approximately five miles northeast of Loco Hills, New Mexico.

CASE 12821: Continued from February 21, 2002, Examiner Hearing.

Application of D.J. Simmons, Inc. for Compulsory Pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mesaverde formation in the E/2 of Section 25, Township 25 North, Range 3 West, for all formations and/or pools developed on 320-acre spacing, including, but not necessarily limited to, the Mesaverde formation, Blanco-Mesaverde Gas Pool. Said unit is to be dedicated to Applicant's Bishop Federal 25-1 well to be drilled at a standard location in the NE/4 of said Section 25 to a depth sufficient to test all formations in the pooled intervals, as well as the Chacra formation and the Gallup-Dakota formation, West Lindrith Gallup-Dakota Oil Pool. 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 and a charge for the risk involved in drilling said well. The units are located approximately 5 miles southwest of Lindrith, New Mexico.

CASE 12802: Continued from February 21, 2002, Examiner Hearing.

Application of D.J. Simmons, Inc. for Compulsory Pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Gallup-Dakota formation in the SE/4 of Section 25, Township 25 North, Range 3 West, for all formations and/or pools developed on 160 acre spacing, including, but not necessarily limited to, the Pictured Cliffs, Chacra, and the Gallup-Dakota formations. Said units are to be dedicated to Applicant's Bishop Federal 25-2 well to be drilled at a standard location in the NW/4 SE/4 of said Section 25 to a depth sufficient to test all formations in the pooled intervals, including the Gallup-Dakota formation, West Lindrith Gallup-Dakota Oil Pool. 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 and a charge for the risk involved in drilling said well. The units are located approximately 5 miles southwest of Lindrith, New Mexico.

CASE 12809: Continued from February 7, 2002, Examiner Hearing.

Application for Order Shutting In Well, Terminating Allowables and Assessing Civil Penalties, Lea County, New Mexico. Applicant seeks an order shutting in the Corbin-Abo Well No. 1 (API No. 30-025-01337), operated by Agua, Inc. n/k/a Petro-Thermo, Inc. located 1980 feet from the North line and 1980 feet from the East line (Unit G) of Section 31, Township 17 South, Range 33 East, in Lea County, New Mexico, which is presently permitted as a salt water disposal well, and terminating injection authority with respect to said well, until such time as the operator provides renewed financial assurance in accordance with NMSA 1978 Section 70-2-14, and reimburses the State of New Mexico for cost incurred in excess of available financial assurance in plugging another well formerly operated by the operator.

CASE 12758-A: Continued from February 7, 2002, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring One Hundred Forty-Seven (147) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 147 inactive wells located in Lea, Roosevelt and Chaves Counties, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

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<u>OPERATOR</u>	<u>WELL NAME AND NUMBER</u>	<u>API NO.</u>	<u>ULSTR</u>	<u>COUNTY</u>
Amtex Energy Inc	Chukar State #001	30-025-32747	O-16-19s-34e	Lea
Amtex Energy Inc	Dagger Lake 5 State #001	30-025-31653	O-05-22s-33e	Lea
Amtex Energy Inc	Merit Record 35 #001	30-025-31337	P-35-19s-35e	Lea
Amtex Energy Inc	Record #004	30-025-32196	N-26-19s-35e	Lea
Bettis Boyle & Stovall	B M Justis A #002	30-025-11668	H-20-25s-37e	Lea
Bettis Boyle & Stovall	B M Justis A #006	30-025-11664	H-20-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #001	30-025-11680	G-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #003	30-025-11682	C-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #004	30-025-11681	B-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #005	30-025-11679	G-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #006	30-025-25588	B-21-25s-37e	Lea
Bettis Boyle & Stovall	Patsy A #001	30-025-23721	B-20-22s-37e	Lea
Bettis Boyle & Stovall	Patsy B #002	30-025-23925	N-17-22s-37e	Lea
Bettis Boyle & Stovall	State O #001	30-025-11629	A-16-25s-37e	Lea
Bettis Boyle & Stovall	V H Justis #002	30-025-11666	D-20-25s-37e	Lea
C E Larue & B M Muncy Jr	Gulf Kimmons #002	30-005-20953	A-19-08s-31e	Chaves
C E Larue & B M Muncy Jr	Gulf Wilcox #001	30-005-20967	P-19-08s-31e	Chaves
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-00839	E-04-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-00842	1-05-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-00846	I-05-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-20242	K-04-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-21710	P-32-17s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-21711	O-32-17s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #002	30-025-00838	3-04-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #002	30-025-00843	2-05-18s-32e	Lea
C E Larue & B M Muncy Jr	Trigg Federal #014	30-005-00983	J-04-14s-31e	Chaves
Crestridge Drilling & Prod Co., LLC	Mexico F #001	30-025-05246	3-02-15s-37e	Lea
Crestridge Drilling & Prod Co., LLC	Mexico F #004	30-025-05249	4-02-15s-37e	Lea
Crestridge Drilling & Prod Co., LLC	Mexico F #005	30-025-05250	2-02-15s-37e	Lea
Hal J Rasmussen Oper Inc	Amerada State #003	30-025-02531	G-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Charlotte State #002	30-025-04377	C-32-20s-36e	Lea
Hal J Rasmussen Oper Inc	Charlotte State #004	30-025-04371	N-29-20s-36e	Lea
Hal J Rasmussen Oper Inc	Gulf Cookie State #001	30-025-23964	G-21-23s-36e	Lea
Hal J Rasmussen Oper Inc	Gulf Cookie State #002	30-025-24073	H-21-23s-36e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #005	30-025-02534	J-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #008	30-025-02537	O-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #009	30-025-02538	F-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #041	30-025-02546	E-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #042	30-025-02547	J-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #044	30-025-32741	F-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Mobil State #001	30-025-21747	O-16-23s-36e	Lea
Hal J Rasmussen Oper Inc	Phillips State #001	30-025-02549	G-14-21s-34e	Lea
Hal J Rasmussen Oper Inc	San Simon #001	30-025-28495	H-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Shell State #001	30-025-03424	K-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Shell State #004	30-025-03422	4-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Shell State #007	30-025-03427	F-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Shell State #008	30-025-03428	C-07-21s-35e	Lea

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<u>OPERATOR</u>	<u>WELL NAME AND NUMBER</u>	<u>API NO.</u>	<u>ULSTR</u>	<u>COUNTY</u>
Hal J Rasmussen Oper Inc	Shell State #014	30-025-03431	3-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	State #002	30-025-02554	K-16-21s-34e	Lea
Hal J Rasmussen Oper Inc	State A #001	30-025-02557	O-16-21s-34e	Lea
Hal J Rasmussen Oper Inc	State B #001	30-025-02563	B-21-21s-34e	Lea
Hal J Rasmussen Oper Inc	State Jct #001	30-025-10748	B-16-23s-36e	Lea
Hal J Rasmussen Oper Inc	Valero State #001	30-025-02553	N-16-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson A State #001	30-025-03436	G-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Wilson A State #002	30-025-03433	B-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Wilson State #001	30-025-02571	G-23-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson State #002	30-025-02577	J-23-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson State #003	30-025-02575	J-23-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson State #017	30-025-02569	A-23-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson State #021	30-025-02577	J-23-21s-34e	Lea
John A Yates Jr	Murphy Kirkpatrick Federal #002	30-041-00218	B-14-08s-37e	Roosevelt
Kenson Operating Company Inc	Langlie Jal Unit #001	30-025-11304	B-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #002	30-025-24837	1-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #003	30-025-11311	D-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #007	30-025-11314	H-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #010	30-025-11308	E-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #011	30-025-11293	H-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #012	30-025-11303	G-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #015	30-025-11305	3-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #018	30-025-11298	I-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #031	30-025-11475	4-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #036	30-025-11452	3-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #039	30-025-11442	4-04-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #044	30-025-11443	E-04-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #050	30-025-24890	G-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #051	30-025-11473	F-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #053	30-025-11469	6-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #057	30-025-23884	L-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #060	30-025-24879	I-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #062	30-025-24880	M-04-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #063	30-025-11451	P-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #065	30-025-23885	N-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #067	30-025-11472	P-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #068	30-025-11471	O-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #069	30-025-11470	N-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #070	30-025-24480	7-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #071	30-025-23869	D-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #072	30-025-11506	C-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #073	30-025-11497	B-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #075	30-025-11510	D-09-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #076	30-025-24881	E-09-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #077	30-025-11498	H-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #079	30-025-23870	F-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #081	30-025-11501	J-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #083	30-025-11513	L-09-25s-37e	Lea

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<u>OPERATOR</u>	<u>WELL NAME AND NUMBER</u>	<u>API NO.</u>	<u>ULSTR</u>	<u>COUNTY</u>
Kenson Operating Company Inc	Langlie Jal Unit #085	30-025-11493	P-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #088	30-025-11644	A-17-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #089	30-025-11630	H-17-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #093	30-025-11633	P-17-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #094	30-025-11635	O-17-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #096	30-025-27841	N-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #097	30-025-27842	P-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #099	30-025-27844	K-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #103	30-025-28406	P-01-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #104	30-025-28407	M-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #106	30-025-28963	A-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #112	30-025-29408	C-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #115	30-025-31014	I-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #301	30-025-11306	4-31-24s-37e	Lea
Kevin O Butler & Assoc Inc	E B Anderson #002	30-025-22454	M-06-13s-38e	Lea
Kevin O Butler & Assoc Inc	E B Anderson #003	30-025-29786	M-06-13s-38e	Lea
Kevin O Butler & Assoc Inc	East Ek Unit #002	30-025-02361	J-22-18s-34e	Lea
Kevin O Butler & Assoc Inc	East Ek Unit #003	30-025-02357	K-22-18s-34e	Lea
Kevin O Butler & Assoc Inc	East Ek Unit #007	30-025-22362	G-22-18s-34e	Lea
Kevin O Butler & Assoc Inc	East Ek Unit #009	30-025-22730	E-23-18s-34e	Lea
Kevin O Butler & Assoc Inc	East Ek Unit #012	30-025-27948	F-22-18s-34e	Lea
Kevin O Butler & Assoc Inc	Federal A #001	30-025-21806	P-12-15s-34e	Lea
Kevin O Butler & Assoc Inc	Gulf Federal #001	30-025-20991	H-12-15s-34e	Lea
Kevin O Butler & Assoc Inc	Maxwell #001	30-025-21186	F-06-13s-38e	Lea
Kevin O Butler & Assoc Inc	Maxwell #002	30-025-23089	E-06-13s-38e	Lea
Kevin O Butler & Assoc Inc	So Caprock Queen Unit #012	30-005-01180	L-33-14s-31e	Chaves
Kevin O Butler & Assoc Inc	So Caprock Queen Unit #014	30-005-01193	N-33-14s-31e	Chaves
Kevin O Butler & Assoc Inc	So Caprock Queen Unit #015	30-005-01161	O-28-14s-31e	Chaves
Kevin O Butler & Assoc Inc	State Land 76 #001	30-025-00376	10-02-16s-32e	Lea
Kevin O Butler & Assoc Inc	State Land 76 #003	30-025-29066	9-02-16s-32e	Lea
Mallon Oil Co	Be Shipp Estate #001	30-025-29485	G-04-17s-37e	Lea
Mallon Oil Co	Byers #001	30-025-29980	I-03-17s-37e	Lea
Mallon Oil Co	Gallagher State #001	30-025-21930	1-03-17s-34e	Lea
Mallon Oil Co	Mallon 34 Federal #006	30-025-32617	C-34-19s-34e	Lea
Mallon Oil Co	Mallon 34 Federal #009	30-025-32784	G-34-19s-34e	Lea
Mallon Oil Co	Mobil State #001	30-025-22029	G-03-17s-34e	Lea
Mallon Oil Co	Pennzoil State #002	30-025-26749	B-18-16s-37e	Lea
Mallon Oil Co	Pennzoil State #003	30-025-27323	C-18-16s-37e	Lea
Mallon Oil Co	Pennzoil State #004	30-025-27498	2-18-16s-37e	Lea
Mallon Oil Co	Price Family Trust #001	30-025-30351	E-01-17s-37e	Lea
Mallon Oil Co	Price Family Trust #002	30-025-30497	N-01-17s-37e	Lea
Mallon Oil Co	Simmons Estate #001	30-025-30177	N-03-17s-37e	Lea
Mallon Oil Co	State C #003	30-025-24936	O-17-16s-37e	Lea
Mallon Oil Co	State C #004	30-025-27433	G-20-16s-37e	Lea
Mallon Oil Co	Viersen #002	30-025-29445	O-04-17s-37e	Lea
Mallon Oil Co	Waldron #002	30-025-29885	3-03-17s-37e	Lea

CASE 12833: In the matter of the hearing called by the Oil Conservation Division for an order creating, contracting, and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Wolfcamp production and designated as the North Anderson-Wolfcamp Pool. The discovery well is the Murchison Oil and Gas, Inc. Big Cat State Com. Well No. 1 located in Unit G of Section 11, Township 17 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 11: NE/4

- (b) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Atoka production and designated as the West Little Box Canyon-Atoka Gas Pool. The discovery well is the Yates Petroleum Corporation Echo "A WF" Federal Well No. 1 located in Unit C of Section 15, Township 21 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM
Section 15: W/2

- (c) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Wolfcamp production and designated as the Northeast Rock Schoolhouse-Wolfcamp Gas Pool. The discovery well is the Yates Petroleum Corporation Byers "ZV" Well No. 1 located in Unit N of Section 8, Township 8 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM
Section 8: S/2

- (d) EXTEND the Antelope Sink-Upper Pennsylvanian Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 5: W/2
Section 6: S/2

- (e) EXTEND the Baldridge Canyon-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 29: S/2
Section 30: SE/4

- (f) EXTEND the Bunting Ranch-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 21 EAST, NMPM
Section 25: E/2

- (g) EXTEND the Cedar Lake-Yeso Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 13: NE/4

- (h) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM
Section 20: N/2

- (i) EXTEND the Comanche-Wolfcamp Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM
Section 31: NE/4

- (j) EXTEND the Comanche Spring-Pre-Permian Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 36: E/2

- (k) CONTRACT the Cottonwood Ranch-Pennsylvanian Gas Pool in Chaves County, New Mexico, by the deletion of the following described area:

TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM
Section 26: W/2 and SE/4

- (l) EXTEND the Southeast Crow Flats-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM
Section 35: S/2

- (m) EXTEND the East Eagle Creek-Atoka-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 27: N/2

- (n) EXTEND the Foor Ranch-Pre-Permian Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM
Section 25: All

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 9: E/2
Section 10: W/2
Section 27: N/2
Section 28: N/2
Section 29: N/2

- (o) EXTEND the Foor Ranch-Wolfcamp Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 4: E/2
Section 8: E/2

- (p) EXTEND the North Foor Ranch-Wolfcamp Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 28: NW/4

- (q) EXTEND the North Hackberry-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 7: N/2

- (r) EXTEND the Southwest Henshaw-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM
Section 25: N/2

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM
Section 30: W/2

- (s) EXTEND the Ingle Wells-Delaware Pool in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 13: NW/4
Section 14: SE/4

- (t) EXTEND the Little Box Canyon-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 21 EAST, NMPM
Section 14: S/2
Section 15: W/2 and SE/4

- (u) EXTEND the Pecos Slope-Abo Gas Pool in Chaves County, New Mexico to include:

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 30: N/2

- (v) EXTEND the Penasco Draw Permo-Pennsylvanian Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 21: E/2

- (w) EXTEND the West Sand Dunes-Atoka Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 21: S/2

- (x) EXTEND the Sand Tank-Morrow Gas Pool in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM
Section 30: SE/4

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

DOCKET: EXAMINER HEARING - THURSDAY - MAY 2, 2002

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

Santa Fe, New Mexico

Docket Nos. 14-02 and 15-02 are tentatively set for May 16, 2002 and May 30, 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 12848: Continued from April 18, 2002, Examiner Hearing.

Application of SDX Resources, Inc. for the creation of the Red Lake San Andres Pool and the corresponding contraction of the Red Lake Queen-Grayburg-San Andres Pool, Eddy County, New Mexico. Applicant seeks the creation of a Red Lake-San Andres Pool to include the SE/4 of Section 19, the E/2, SW/4, E/2 NW/4 and SW/4 NW/4 of Section 20, the SW/4, SW/4 NW/4, W/2 SE/4 of Section 21, NE/4 of Section 30, N/2 of Section 29, NW/4, NE/4 SW/4 and NW/4 NE/4 of Section 28, Township 17 South, Range 28 East, the vertical limits of which are all of the San Andres formations as shown from a depth 1925 feet to 3500 feet on the log of the SDX Welch RL State Well No. 1 located in Unit (E) of Section 28, Township 17 South, Range 28 East, and the corresponding contraction of the Red Lake Queen-Grayburg-San Andres Pool to delete said acreage from that pool. This acreage is located approximately 11-1/2 miles east of Artesia, New Mexico.

CASE 12852: 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 S/2 NW/4 of Section 4, 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-Tulib Pool. Applicant further requested that the pooling of this unit be made as of the date of first production from its Laughlin Well No. 6 drilled and completed at a standard well location in Unit F of said Section 4 and the designation of Matador Operating Company as the operator. Said unit is located approximately 10 miles southwest of Hobbs, New Mexico.

CASE 12853: 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 RUCO "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: 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: 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 12856: Application of Burlington Resources Oil & Gas Company LP to amend the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool, Rio Arriba, San Juan, McKinley and Sandoval Counties, New Mexico. Applicant seeks to amend the Well Location Requirements and Administrative Exceptions of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool to conform with the Well Location Requirements and Administrative Exceptions of the Special Rules and Regulations for the Basin Dakota Gas Pool as promulgated by Division Order R-10987-B(1) issued January 29, 2002. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12857: Application of Burlington Resources Oil & Gas Company LP, BP Amoco and Energen Resources Corp. for approval of a pilot project including unorthodox well locations and an exception from Division Rule 104.D.3 for purposes of establishing a pilot program in the Pictured Cliffs Formation to determine proper well density requirements for Pictured Cliffs wells in San Juan, Sandoval and Rio Arriba Counties, New Mexico. Applicants seek approval for a 30 well pilot program in the Pictured Cliffs formation to gather data to determine the appropriate well density in the Pictured Cliffs Formation for wells in pools governed by Division Rule 104.D.3 which currently limits well density to one well per 160-acre gas spacing unit. Applicants further seek approval for 30 pilot project wells including 6 pilot project wells at unorthodox well locations described as follows:

Luthy A Well No. 4
2250 feet FNL and 1610 feet FEL
NE/4 Section 1, T26N R8W
South Blanco Pictured Cliffs Pool

Congress Well No. 18
2127 feet FSL and 1931 feet FWL
SW/4 Section 27, T29N R11W
Fulcher Kutz Pictured Cliffs Pool

Mangum Well No. 6
411 feet FSL and 1650 feet FEL
SE/4 Section 28, T29N R11W
Fulcher Kutz Pictured Cliffs Pool

Gallegos Canyon Unit Well No. 204E
1710 feet FSL and 425 feet FEL
SE/4 Section 34, T28N R12W

West Kutz Pictured Cliffs Pool

Jicarilla 98 Well No. 12A
1160 feet FSL and 1920 feet FWL
SW/4 Section 18, T26N R3W
Tapacito Pictured Cliffs Pool

Jicarilla 96 Well No. 2B
2430 feet FSL and 1265 feet FEL
SE/4 Section 2, T26N R3W
Gavilan Pictured Cliffs Pool

The pilot project area encompasses all or a portion of:

Township 25 North, Ranges 3 and 6 West
Township 26 North, Ranges 3, 5, 8 and 9 West
Township 27 North, Ranges 3, 5, 8, 9 and 10 West
Township 28 North, Ranges 8, 9, 11 and 12 West
Township 29 North, Ranges 9, 10, 11 and 12 West
Township 30 North, Range 11 West
Township 31 North, Range 10 West

CASE 12778: Reopened

Application of Devon Energy Production Company, L.P. to reopen Case No. 12778 to abolish the Special Rules and Regulations for the Buffalo Valley-Pennsylvanian Gas Pool and to terminate gas prorationing in the pool, Chaves County, New Mexico. Applicant seeks an order abolishing the Special Rules and Regulations for the Buffalo Valley-Pennsylvanian Gas Pool and terminating gas prorationing in the pool, and making the Division's statewide spacing and well location rules applicable to the pool. The pool covers all or portions of Sections 25, 26, 35, and 36, Township 14 South, Range 27 East, Section 31, Township 14 South, Range 28 East, Sections 1-4, 11-15, and 22-26, Township 15 South, Range 27 East, N.M.P.M., and Sections 6-8, 16-18, 20, and 21, Township 15 South, Range 28 East. The pool is centered approximately 10 miles southeast of Hagerman, New Mexico.

CASE 12790: Continued from April 18, 2002, Examiner Hearing.

Amended Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 17, Township 20 South, Range 34 East as follows: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Quail Ridge-Morrow Gas Pool, Undesignated South Quail Ridge-Atoka Gas Pool, and the Undesignated Lea Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; the W/2 NW/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Featherstone-Bor. Springs Pool, and the NW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Southeast Teas-Delaware Pool, Undesignated Teas-Bone Springs Pool and the Undesignated Teas Yates-Seven Rivers Pool. Said well is to be dedicated to its Mesquite "17" Federal Well No. 1 to be drilled at a standard location 660 feet from the North and West lines of said Section 17 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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,

provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles East of Halfway, New Mexico.

CASE 12820: Continued from April 18, 2002, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 5, Township 19 South, Range 33 East as follows: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated South Corbin-Morrow Gas Pool and the Buffalo-Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated West Tonto-Wolfcamp Pool, Undesignated Tonto-Bone Spring Pool, Undesignated Buffalo-Queen Pool and the Buffalo-Yates Pool. Said well is to be dedicated to its Gem North "5" Federal Com Well No. 1 to be drilled at a standard location 2310 feet from the North line and 660 feet from the West line of said Section 5 to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of Nearburg Producing Company as operator of the well, imposition of a charge for risk involved in drilling said well and whether excessive royalty burdens upon certain leases should be subject to the charge for risk imposed by this order. Said area is located approximately 24 miles southeast of Loco Hills, New Mexico.

CASE 12762: Continued from March 7, 2002, Examiner Hearing.

Application of Paladin Energy Corp. for approval of a unit agreement, Lea County, New Mexico. Applicant seeks approval of the Paladin Wolfcamp Exploratory Unit for an area comprising 80 acres, more or less, of state and fee lands in Sections 35 and 36, Township 13 South, Range 37 East, which is located approximately 9 miles east of McDonald, New Mexico.

CASE 12763: Continued from March 7, 2002, Examiner Hearing.

Application of Paladin Energy Corp. for an unorthodox gas well location, Lea County, New Mexico. Applicant seeks approval of an unorthodox well location in the Wolfcamp formation, King-Wolfcamp Pool, for its State "C" Well No. 1 to be re-entered and recompleted at an unorthodox well location 1550 feet from the North line and 10 feet from the West line of Section 36, Township 13 South, Range 37 East. Said well is located approximately 9 miles east of McDonald, New Mexico.

CASE 12858: **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 Mississippian formation underlying Lots 1, 2, 3 and 4 and the E/2 W/2 (W/2 equivalent) of irregular Section 31, Township 15 South, Range 36 East in the following manner: Lots 1, 2, 3 and 4 and the E/2 W/2 (W/2 equivalent) to form a standard 320.56-acre stand-up gas spacing and proration unit for any formation or pool spaced on 320 acres within that vertical extent; the SW/4 to form a standard 160.14-acre gas spacing and proration unit for all formations or pools spaced on 160 acres within that vertical extent; and the SW/4 NW/4 (Unit E) to form a standard 40.17-acre oil spacing and proration unit for all formations or pools spaced on 40 acres within that vertical extent, which presently includes but is not necessarily limited to the Caudill Permo-Upper Pennsylvanian Pool and the Undesignated Townsend Permo-Upper Pennsylvanian Pool. These spacing and proration units are to be dedicated to Arrington's proposed Royal Stimulator "31" Well No. 2 to be drilled at a standard location in the W/2 of Section 31. The well will commence at a surface location 2235 feet from

the North line and 330 feet from the West line (Unit E) of said Section 31, will be drilled vertically to a depth sufficient to test the Wolfcamp formation, and then directionally drilled in a southeasterly direction to a standard bottomhole location 1900 feet from the South line and 11.00 feet from the West Line (Unit L) of said Section 31 to a depth sufficient to test the Mississippian formation. 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 one mile north of Lovington, New Mexico. This matter was previously the subject of an Examiner hearing in Case No. 12752 and Division Order No. R-11690, entered November 16, 2001. Said pooling Order expired by its own terms on February 28, 2002, necessitating this new application. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 12859: Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests underlying the E/2 of Section 25, Township 16 South, Range 35 East in the following manner: a) E/2 to form a standard 320-acre stand-up gas spacing and proration unit ("the 320-acre 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 Undesignated Shoe Bar-Atoka Gas Pool, Undesignated Townsend-Morrow Gas Pool, and Undesignated North Townsend-Mississippian Gas Pool; b) NE/4 to form a standard 160-acre spacing and proration unit ("the 160-acre Unit") for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and c) E/2 NE/4 to form a standard 80-acre stand-up oil spacing and proration unit ("the 80-acre Unit") for any and all formations and/or pools developed on 80-acre spacing within that vertical extent. Said units are to be dedicated to Applicant's proposed Glass-Eyed Midge 25 Well No. 1 to be drilled at a standard 320-acre spacing and proration unit gas well location 803 feet from the North line and 902 feet from the East line in the NE/4 of said Section 25. 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 David H. Arrington Oil and Gas, Inc. or its designee as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 6 miles southwest of Lovington, New Mexico.

CASE 12860: 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 W/2 of Section 25, Township 16 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 Undesignated Townsend-Morrow Gas Pool. The unit is to be dedicated to applicant's Triple Hackle Dragon 25 Well No. 2, to be drilled at an orthodox location in the NE/4 SW/4 (Unit K) of Section 25. 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, a charge for the risk involved in drilling and completing the well, and the establishment of escrow accounts for the purpose of holding and disbursing funds pending resolution of a title dispute affecting the NW/4 of Section 25. The unit is located approximately 5 miles southwest of Lovington, New Mexico.

CASE 12841: Continued from April 4, 2002, Examiner Hearing.

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 W/2 of Section 25, Township 16 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 Undesignated Townsend-Morrow Gas Pool. The unit is to be dedicated to applicant's Triple Hackle Dragon 25 Well No. 1, to be drilled at an orthodox location in the SW/4 NW/4 (Unit E) of Section 25. 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, a charge for the risk involved in drilling and completing the well, and the establishment of escrow accounts for the purpose of holding and disbursing funds pending resolution of a title dispute affecting the NW/4 of Section 25. The unit is located approximately 5 miles southwest of Lovington, New Mexico.

CASE 12816: Continued from April 4, 2002, Examiner Hearing.

Application of TMBR/Sharp Drilling 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 N/2 of Section 25, Township 16 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 gas spacing within that vertical extent, including the Townsend-Morrow Gas Pool and the Townsend-Mississippian Gas Pool. This unit is to be dedicated to its Blue Fin "25" Well No. 1 which will be located at a standard location within Unit E of this section. Also to be considered will be the cost of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of TMBR/Sharp Drilling Inc. as the operator of the well and a charge for risk involved in this well. This unit is located approximately 5-1/2 miles southwest of the center of the City of Lovington, New Mexico.

CASE 12845: Continued from April 18, 2002, Examiner Hearing.

Application of EnerQuest Resources, LLC. for statutory unitization, Lea County, New Mexico. Applicant seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interests in the San Andres formation, East Hobbs-San Andres Pool, underlying 920 acres, more or less, of State and Fee lands in the following acreage:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM

Section 29:	SW/4, SW/4 NW/4
Section 30:	S/2, S/2 N/2
Section 31:	N/2 N/2
Section 32:	N/2 NW/4

Said unit is to be designated the East Hobbs (San Andres) Unit.

Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a non-consent penalty for risk to be charged against carried working interests within the unit area upon such terms and conditions to be determined by the Division as just and reasonable.

Said unit area is located approximately 2 miles northeast of Hobbs, New Mexico.

CASE 12846: Continued from April 18, 2002, Examiner Hearing.

Application of EnerQuest Resources, LLC. for approval of a waterflood project and qualification of the Project Area for the Recovered Oil Tax rate pursuant to the Enhanced Oil Recovery Act, Lea County,

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New Mexico. Applicant seeks approval of its East Hobbs (San Andres) Unit Waterflood Project by injection of water into the San Andres formation through 19 injection wells located in the following described area:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM

Section 29: SW/4, SW/4 NW/4
Section 30: S/2, S/2 N/2
Section 31: N/2 N/2
Section 32: N/2 NW/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations.

Said unit area is located approximately 2 miles northeast of Hobbs, New Mexico.

CASE 12861: Application of the New Mexico Oil Conservation Division for an Order Requiring Charles E. Yancura 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 Charles E. Yancura, and Ordering a Forfeiture of Applicable Plugging Bond; Lea County, New Mexico. The Applicant seeks an order requiring Charles E. Yancura, the operator of One (1) inactive well 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 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>
Charles E. Yancura	State 43-35 No. 1	30-025-02810	I-35-16S-35E

CASE 12862: Application of the New Mexico Oil Conservation Division for an Order Requiring N.Dale Nichols to Bring Eight (8) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Chaves County, New Mexico. The Applicant seeks an order requiring N. Dale Nichols, the operator of 8 inactive wells located in Chaves County, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

<u>Well Name</u>	<u>API No.</u>	<u>ULSTR</u>
Avalanche Journal State #4	30-005-10471	K-04-08S-27E
Lewis Neff #3	30-005-10432	P-32-07S-27E
Lewis Neff #4	30-005-00224	O-32-07S-27E
Linx #1	30-005-62160	G-19-08S-29E
Standard State #3	30-005-10429	2-05-08S-27E
Standard State #6Y	30-005-10513	G-05-08S-27E
State A #2	30-005-00232	P-07-08S-27E
Alma Shields #4	30-005-62567	N-33-07S-27E

CASE 12758-A: Continued from April 4, 2002, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring One Hundred Forty-Seven (147) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea, Roosevelt and Chaves Counties, New Mexico. The Applicant seeks an order requiring the operators of 147 inactive wells located in Lea, Roosevelt and Chaves Counties, New Mexico, to bring said

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wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

<u>OPERATOR</u>	<u>WELL NAME AND NUMBER</u>	<u>API NO.</u>	<u>ULSTR</u>	<u>COUNTY</u>
Amtex Energy Inc	Chukar State #001	30-025-32747	O-16-19s-34e	Lea
Amtex Energy Inc	Dagger Lake 5 State #001	30-025-31653	O-05-22s-33e	Lea
Amtex Energy Inc	Merit Record 35 #001	30-025-31337	P-35-19s-35e	Lea
Amtex Energy Inc	Record #004	30-025-32196	N-26-19s-35e	Lea
Bettis Boyle & Stovall	B M Justis A #002	30-025-11668	H-20-25s-37e	Lea
Bettis Boyle & Stovall	B M Justis A #006	30-025-11664	H-20-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #001	30-025-11680	G-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #003	30-025-11682	C-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #004	30-025-11681	B-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #005	30-025-11679	G-21-25s-37e	Lea
Bettis Boyle & Stovall	B T Lanehart #006	30-025-25588	B-21-25s-37e	Lea
Bettis Boyle & Stovall	Patsy A #001	30-025-23721	B-20-22s-37e	Lea
Bettis Boyle & Stovall	Patsy B #002	30-025-23925	N-17-22s-37e	Lea
Bettis Boyle & Stovall	State O #001	30-025-11629	A-16-25s-37e	Lea
Bettis Boyle & Stovall	V H Justis #002	30-025-11666	D-20-25s-37e	Lea
C E Larue & B M Muncy Jr	Gulf Kimmons #002	30-005-20953	A-19-08s-31e	Chaves
C E Larue & B M Muncy Jr	Gulf Wilcox #001	30-005-20967	P-19-08s-31e	Chaves
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-00839	E-04-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-00842	I-05-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-00846	I-05-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-20242	K-04-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-21710	P-32-17s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #001	30-025-21711	O-32-17s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #002	30-025-00838	3-04-18s-32e	Lea
C E Larue & B M Muncy Jr	Pearsall Queen Sand Unit #002	30-025-00843	2-05-18s-32e	Lea
C E Larue & B M Muncy Jr	Trigg Federal #014	30-005-00983	J-04-14s-31e	Chaves
Crestridge Drilling & Prod Co., LLC	Mexico F #001	30-025-05246	3-02-15s-37e	Lea
Crestridge Drilling & Prod Co., LLC	Mexico F #004	30-025-05249	4-02-15s-37e	Lea
Crestridge Drilling & Prod Co., LLC	Mexico F #005	30-025-05250	2-02-15s-37e	Lea
Hal J Rasmussen Oper Inc	Amerada State #003	30-025-02531	G-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Charlotte State #002	30-025-04377	C-32-20s-36e	Lea
Hal J Rasmussen Oper Inc	Charlotte State #004	30-025-04371	N-29-20s-36e	Lea
Hal J Rasmussen Oper Inc	Gulf Cookie State #001	30-025-23964	G-21-23s-36e	Lea
Hal J Rasmussen Oper Inc	Gulf Cookie State #002	30-025-24073	H-21-23s-36e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #005	30-025-02534	J-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #008	30-025-02537	O-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #009	30-025-02538	F-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #041	30-025-02546	E-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #042	30-025-02547	J-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Kaiser State #044	30-025-32741	F-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Mobil State #001	30-025-21747	O-16-23s-36e	Lea
Hal J Rasmussen Oper Inc	Phillips State #001	30-025-02549	G-14-21s-34e	Lea
Hal J Rasmussen Oper Inc	San Simon #001	30-025-28495	H-13-21s-34e	Lea
Hal J Rasmussen Oper Inc	Shell State #001	30-025-03424	K-07-21s-35e	Lea

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<u>OPERATOR</u>	<u>WELL NAME / ND NUMBER</u>	<u>API NO.</u>	<u>ULSTR</u>	<u>COUNTY</u>
Hal J Rasmussen Oper Inc	Shell State #004	30-025-03422	4-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Shell State #007	30-025-03427	F-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Shell State #008	30-025-03428	C-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Shell State #014	30-025-03431	3-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	State #002	30-025-02554	K-16-21s-34e	Lea
Hal J Rasmussen Oper Inc	State A #001	30-025-02557	O-16-21s-34e	Lea
Hal J Rasmussen Oper Inc	State B #001	30-025-02563	B-21-21s-34e	Lea
Hal J Rasmussen Oper Inc	State Jct #001	30-025-10748	B-16-23s-36e	Lea
Hal J Rasmussen Oper Inc	Valero State #001	30-025-02553	N-16-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson A State #001	30-025-03436	G-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Wilson A State #002	30-025-03433	B-07-21s-35e	Lea
Hal J Rasmussen Oper Inc	Wilson State #001	30-025-02571	G-23-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson State #002	30-025-02577	J-23-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson State #003	30-025-02575	J-23-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson State #017	30-025-02569	A-23-21s-34e	Lea
Hal J Rasmussen Oper Inc	Wilson State #021	30-025-02577	J-23-21s-34e	Lea
John A Yates Jr	Murphy Kirkpatrick Federal #002	30-041-00218	B-14-08s-37e	Roosevelt
Kenson Operating Company Inc	Langlie Jal Unit #001	30-025-11304	B-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #002	30-025-24837	1-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #003	30-025-11311	D-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #007	30-025-11314	H-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #010	30-025-11308	E-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #011	30-025-11293	H-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #012	30-025-11303	G-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #015	30-025-11305	3-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #018	30-025-11298	I-31-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #031	30-025-11475	4-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #036	30-025-11452	3-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #039	30-025-11442	4-04-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #044	30-025-11443	E-04-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #050	30-025-24890	G-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #051	30-025-11473	F-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #053	30-025-11469	6-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #057	30-025-23884	L-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #060	30-025-24879	I-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #062	30-025-24880	M-04-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #063	30-025-11451	P-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #065	30-025-23885	N-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #067	30-025-11472	P-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #068	30-025-11471	C-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #069	30-025-11470	N-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #070	30-025-24480	7-06-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #071	30-025-23869	D-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #072	30-025-11506	C-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #073	30-025-11497	B-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #075	30-025-11510	D-09-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #076	30-025-24881	E-09-25s-37e	Lea

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<u>OPERATOR</u>	<u>WELL NAME AND NUMBER</u>	<u>API NO.</u>	<u>ULSTR</u>	<u>COUNTY</u>
Kenson Operating Company Inc	Langlie Jal Unit #077	30-025-11498	H-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #079	30-025-23870	F-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #081	30-025-11501	J-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #083	30-025-11513	L-09-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #085	30-025-11493	P-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #088	30-025-11644	A-17-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #089	30-025-11630	H-17-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #093	30-025-11633	P-17-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #094	30-025-11635	O-17-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #096	30-025-27841	N-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #097	30-025-27842	P-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #099	30-025-27844	K-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #103	30-025-28406	P-01-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #104	30-025-28407	M-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #106	30-025-28963	A-32-24s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #112	30-025-29408	C-08-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #115	30-025-31014	I-05-25s-37e	Lea
Kenson Operating Company Inc	Langlie Jal Unit #301	30-025-11306	4-31-24s-37e	Lea
Kevin O Butler & Assoc Inc	E B Anderson #002	30-025-22454	M-06-13s-38e	Lea
Kevin O Butler & Assoc Inc	E B Anderson #003	30-025-29786	M-06-13s-38e	Lea
Kevin O Butler & Assoc Inc	East Oak Unit #002	30-025-02361	J-22-18s-34e	Lea
Kevin O Butler & Assoc Inc	East Oak Unit #003	30-025-02357	K-22-18s-34e	Lea
Kevin O Butler & Assoc Inc	East Oak Unit #007	30-025-22362	G-22-18s-34e	Lea
Kevin O Butler & Assoc Inc	East Oak Unit #009	30-025-22730	E-23-18s-34e	Lea
Kevin O Butler & Assoc Inc	East Oak Unit #012	30-025-27948	F-22-18s-34e	Lea
Kevin O Butler & Assoc Inc	Federal A #001	30-025-21806	F-12-15s-34e	Lea
Kevin O Butler & Assoc Inc	Gulf Federal #001	30-025-20991	F-12-15s-34e	Lea
Kevin O Butler & Assoc Inc	Maxwell #001	30-025-21186	F-06-13s-38e	Lea
Kevin O Butler & Assoc Inc	Maxwell #002	30-025-23089	E-06-13s-38e	Lea
Kevin O Butler & Assoc Inc	So Caprock Queen Unit #012	30-005-01180	L-33-14s-31e	Chaves
Kevin O Butler & Assoc Inc	So Caprock Queen Unit #014	30-005-01193	N-33-14s-31e	Chaves
Kevin O Butler & Assoc Inc	So Caprock Queen Unit #015	30-005-01161	O-28-14s-31e	Chaves
Kevin O Butler & Assoc Inc	State Land 76 #001	30-025-00376	10-02-16s-32e	Lea
Kevin O Butler & Assoc Inc	State Land 76 #003	30-025-29066	9-02-16s-32e	Lea
Mallon Oil Co	Be Shipp Estate #001	30-025-29485	G-04-17s-37e	Lea
Mallon Oil Co	Byers #001	30-025-29980	I-03-17s-37e	Lea
Mallon Oil Co	Gallagher State #001	30-025-21930	1-03-17s-34e	Lea
Mallon Oil Co	Mallon 34 Federal #006	30-025-32617	C-34-19s-34e	Lea
Mallon Oil Co	Mallon 34 Federal #009	30-025-32784	G-34-19s-34e	Lea
Mallon Oil Co	Mobil State #001	30-025-22029	G-03-17s-34e	Lea
Mallon Oil Co	Pennzoil State #002	30-025-26749	B-18-16s-37e	Lea
Mallon Oil Co	Pennzoil State #003	30-025-27323	C-18-16s-37e	Lea
Mallon Oil Co	Pennzoil State #004	30-025-27498	2-18-16s-37e	Lea
Mallon Oil Co	Price Family Trust #001	30-025-30351	E-01-17s-37e	Lea
Mallon Oil Co	Price Family Trust #002	30-025-30497	N-01-17s-37e	Lea
Mallon Oil Co	Simmons Estate #001	30-025-30177	N-03-17s-37e	Lea
Mallon Oil Co	State C #003	30-025-24936	O-17-16s-37e	Lea

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<u>OPERATOR</u>	<u>WELL NAME AND NUMBER</u>	<u>API NO.</u>	<u>ULSTR</u>	<u>COUNTY</u>
Mallon Oil Co	State C #004	30-025-27433	G-20-16s-37e	Lea
Mallon Oil Co	Viersen #002	30-025-29445	O-04-17s-37e	Lea
Mallon Oil Co	Waldron #002	30-025-29885	3-03-17s-37e	Lea

CASE 12771-A: Continued from April 18, 2002, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Operators to Bring Forty-Six (46) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Lea and Roosevelt Counties, New Mexico. The Applicant seeks an order requiring the operators of 46 inactive wells located in Lea and Roosevelt Counties, New Mexico, to bring said wells into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof. The affected wells are the following:

<u>OPERATOR</u>	<u>WELL NAME AND NO.</u>	<u>API #</u>	<u>ULSTR</u>	<u>CO.</u>
PRONGHORN MANAGEMENT CORP	FOWLER B #001	30-025-28197	K-06-19S-38E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #003	30-025-11182	B-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #004	30-025-11183	F-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #005	30-025-21401	K-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	JENNINGS FEDERAL #004	30-025-25149	K-14-24S-32E	Lea
PRONGHORN MANAGEMENT CORP	MARSHALL #001	30-025-08358	4-19-23S-33E	Lea
PRONGHORN MANAGEMENT CORP	MARSHALL #005	30-025-25000	F-19-23S-33E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO BZ STATE NCT 5 #003	30-025-03523	E-29-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO BZ STATE NCT 5 #004	30-025-03524	F-29-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO BZ STATE NCT 5 #005	30-025-32362	D-29-21S-35E	Lea
PRONGHORN MANAGEMENT CORP	NEW MEXICO DL STATE #006	30-025-28659	P-18-23S-33E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #001	30-025-03734	13-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #002	30-025-03735	12-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #003	30-025-03736	14-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	STATE T #004	30-025-03737	11-06-16S-36E	Lea
PRONGHORN MANAGEMENT CORP	GILAD DEEP #001	30-025-30872	G-04-25S-33E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #006	30-025-21478	F-21-24S-37E	Lea
PRONGHORN MANAGEMENT CORP	J F BLACK #007	30-025-21479	C-21-24S-37E	Lea
SABA ENERGY OF TEXAS INC	SAN SIMON 5 STATE #002	30-025-28480	G-05-22S-35E	Lea
SABA ENERGY OF TEXAS INC	FERN GUYE #001	30-025-34488	M-05-13S-36E	Lea
SANTA FE ENERGY OPERATING PARTNERS, L. P.	WHITE SWAN 9 FEDERAL #003	30-025-32301	J-09-22S-32E	Lea
SMITH & MARRS INC	AMERICAN EAGLE #001	30-025-27163	M-22-26S-36E	Lea
SMITH & MARRS INC	CHRISITE #001	30-025-22991	A-19-11S-33E	Lea
SMITH & MARRS INC	LEA KN STATE #002	30-025-21070	B-17-17S-37E	Lea
SMITH & MARRS INC	SHULTS #002	30-025-05020	P-13-12S-37E	Lea
SMITH & MARRS INC	STATE HTA #001	30-025-21329	B-36-12S-33E	Lea

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<u>OPERATOR</u>	<u>WELL NAME AND NO.</u>	<u>API #</u>	<u>ULSTR</u>	<u>CO.</u>
SMITH & MARRS INC	AZTEC STATE COM #003	30-025-27575	4-18-16S-37E	Lea
SMITH & MARRS INC	CORTLAND MYERS UNIT #006	30-025-11200	J-22-24S-37E	Lea
SMITH & MARRS INC	JAMISON #005	30-025-21152	H-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #006	30-025-20355	P-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #007	30-025-20354	I-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #008	30-025-20353	L-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #009	30-025-20352	L-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #010	30-025-20351	M-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #011	30-025-20350	M-22-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #012	30-025-21154	P-21-24S-37E	Lea
SMITH & MARRS INC	KNIGHT #013	30-025-20613	P-21-24S-37E	Lea
SMITH & MARRS INC	MR WILLS FEDERAL #001	30-025-28499	D-34-26S-37E	Lea
SMITH & MARRS INC	NEW MEXICO CV STATE #002	30-025-26048	P-28-26S-36E	Lea
SMITH & MARRS INC	STATE HTB SWD #001	30-025-21671	1-31-12S-34E	Lea
TEXLAND PETROLEUM, INC	J R HOLT #002	30-025-30582	3-02-17S-37E	Lea
TEXLAND PETROLEUM, INC	W D GRIMES NCT A #016	30-025-22627	D-32-18S-38E	Lea
W H BRININSTOOL	SHEARN STATE #001	30-025-27998	2-32-26S-37E	Lea
SMITH & MARRS INC	HAYES #003	30-041-00186	L-29-08S-37E	Roosevelt
SMITH & MARRS INC	HAYES #004	30-041-00187	N-29-08S-37E	Roosevelt
SMITH & MARRS INC	LAS CRUCES B #001	30-041-00234	1-30-08S-37E	Roosevelt