

DOCKET: EXAMINER HEARING - THURSDAY – APRIL 24, 2003

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

Docket Nos. 13-03 and 15-03 are tentatively set for May 8, 2003 and May 22, 2003. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 13014: Continued from April 10, 2003, Examiner Hearing.

Application of Matador E & P Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Tubb formation underlying the N/2 NE/4 of Section 8, Township 20 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any and all formations and/or pools spaced on 80-acre spacing, including but not limited to the Monument-Tubb Pool. In addition, Applicant requests that in the absence of objection filed with the Division on or before March 7, the Division order provide for a 200% risk factor penalty based upon the presentation of technical data by affidavit. This unit is to be dedicated to its Laughlin "8" Well No. 1 to be drilled at a standard well location in Unit A of this section. Also to be considered will be the costs of drilling and completing said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Matador Operating Company as the operator of the well and a charge for risk involved in this well. This unit is located approximately 2 miles south of Monument, New Mexico. **IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.**

CASE 13051: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Strait State Exploratory Unit for an area comprising 3840.00 acres of State of New Mexico lands in Sections 20, 21, 28, 29, 32 and 33 of Township 10 South, Range 34 East, which is located approximately 6 miles south of Crossroads, New Mexico.

CASE 13052: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Waylon State/Fee Exploratory Unit for an area comprising 2560.00 acres of State of New Mexico and fee lands in Sections 14, 15, 21 and 22 of Township 11 South, Range 34 East, which is located approximately 11 miles Northwest of Tatum, New Mexico.

CASE 13053: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Chaves County, New Mexico. Applicant seeks approval of the Stare State Exploratory Unit for an area comprising 1600 acres of State of New Mexico lands in Sections 8, 9, and 16 of Township 9 South, Range 27 East, which is located approximately 30 miles east-northeast of Roswell, New Mexico.

CASE 13054: Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in the following described spacing and proration units located in the W/2 of Section 33, Township 17 South, Range 26 East: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated East Eagle Creek Atoka-Morrow Gas Pool, the Kennedy Farms-Morrow Gas Pool, the Undesignated Eagle Creek-Strawn Gas Pool and the Undesignated Kennedy Farms-Upper Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the NE/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Three Mile-San Andres Pool. Said units are to be dedicated to its Harriett "BBT" Com Well No. 1 to be drilled at a standard gas well location 660 feet from the North line and 1930 feet from the West line (Unit C) of said Section 33. 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 16 miles west of Loco Hills, New Mexico.

CASE 13055: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Granite Wash formation in the following described spacing and proration units located in the W/2 of Section 11, Township 6 South, Range 26 East: the W/2 for all formations and/or pools developed on 320-acre spacing; the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not limited to the Pecos Slope-Abo Gas Pool; and the SW/4 SW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Stern "BCS" Com Well No. 1 to be drilled at a standard gas well location 660 feet from the South and West Lines (Unit M) of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8.5 miles West of Dougherty, New Mexico.

CASE 13056: Application of Yates Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Granite Wash formation in the following described spacing and proration units located in the W/2 of Section 13, Township 6 South, Range 26 East: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Haystack-Cisco Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not limited to the Pecos Slope-Abo Gas Pool; and the SW/4 SW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Stern "BCS" Com Well No. 2 to be drilled at a standard gas well location 660 feet from the South and West Lines (Unit M) of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 7.5 miles West of Dougherty, New Mexico.

CASE 13057: Application of Yates Petroleum Corporation for amendment of the Special Pool Rules and Regulations for the Pecos Slope-Abo Gas Pool and the West Pecos Slope-Abo Gas Pool, Chaves County, New Mexico. Applicant seeks an order abolishing the requirement in the Special Pool Rules and Regulations of the Pecos Slope-Abo Gas Pool and the West Pecos Slope-Abo Gas Pool that all applications for unorthodox well locations and non-standard spacing units go to hearing. Applicant also requests that the provisions governing administrative applications for unorthodox well locations and non-standard spacing and proration units in these pools be amended to conform to the provisions of Rule 104.D(2) and Rule 104.F of the General Rules and Regulations of the Oil Conservation Division. The Pecos Slope-Abo Gas Pool is located in portions of Townships 4 through 11 and Ranges 24 through 27 East and the West Pecos Slope-Abo Gas Pool is located in portions of Townships 5 through 9 South, Ranges 21 through 23 East. The Pecos Slope-Abo Gas pool is located approximately 4 miles southeast of Fuller, New Mexico. The West Pecos Slope-Abo Gas Pool is located approximately 2 miles west of Roswell, New Mexico.

CASE 13040: Continued from March 27, 2003, Examiner Hearing.

Application of David H. Arrington Oil & Gas, Inc. for Approval of a Waterflood Project for its East Hobbs-Blinebry Pool Cooperative Waterflood Area and Qualification of said Project for the Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval of its East Hobbs-Blinebry Pool Cooperative Waterflood Area for injection of water into the Blinebry formation, East Hobbs- Blinebry Pool through one injection well located in the following described area:

TOWNSHIP 18 SOUTH, RANGE 39 EAST, NMPM
Irregular Section 29: Lots 1, 2, 3 and 4 (E/2 equivalent), SW/4

DOCKET: EXAMINER HEARING - THURSDAY – MAY 22, 2003

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

Santa Fe, New Mexico

Docket Nos. 16-03 and 18-03 are tentatively set for June 5, 2003 and June 19, 2003. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 13070: Application of Mack Energy Corporation for compulsory pooling of four 40-acre spacing and proration units, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to a depth of 5000 feet in the following described spacing and proration units located in the SW/4 of Section 31, Township 17 South, Range 32 East, for its Panther Federal Well Nos. 1, 3, 5, and 6:

NW/4 SW/4: Panther Federal Well No. 1,
(Lot 3) 1650 feet from the South line and 330 feet from the West line (Unit L),

NE/4 SW/4: Panther Federal Well No. 3
1650 feet from the South and West lines (Unit K),

SW/4 SW/4: Panther Federal Well No. 5
(Lot 4) 90 feet from the South and West lines (Unit M), and

SE/4 SW/4: Panther Federal Well No. 6
990 feet from the South line and 2310 feet from the West line (Unit N).

Applicant proposes to drill each well to test any and all formations from the surface to a depth of 5000 feet that are developed on 40-acre spacing under each quarter-quarter section which includes but is not necessarily limited to the Undesignated Yates-Maljamar Pool, Undesignated Pearsall-Seven Rivers Pool, Undesignated Pearsall-Queen Pool, and the Maljamar-Grayburg-San Andres Pool. Also to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling said wells. Said area is located approximately 5 miles Southwest of Maljamar, New Mexico.

CASE 13045 (Reopened and Readvertised): Application of Yates Petroleum Corporation for an unorthodox infill oil well location, Chaves County, New Mexico. Applicant seeks an unorthodox infill oil well location in the Pecos Slope-Pennsylvanian Pool for its proposed George "QJ" Federal Well No. 11 to be drilled 2080 feet from the North line and 1350 feet from the West line (Unit F) of Section 26, Township 6 South, Range 25 East, which is located approximately 13.5 miles north of the Pecos River bridge on U. S. Highway 70. This location will be an exception to the well location requirements provided within the "*(Temporary) Special Pool Rules for the Pecos Slope-Pennsylvanian Pool*", as promulgated by Division Order No. R-11721, and made permanent by Division Order No. R-11721-A, for an infill oil well within an existing standard 320-acre stand-up oil spacing and proration unit comprising the W/2 of Section 26. This 320-acre Pennsylvanian oil unit is currently dedicated to the applicant's George "QJ" Federal Well No. 10 (API No. 30-005-63368), located at a standard oil well location 660 feet from the South line and 1500 feet from the West line (Unit N) of Section 26.

CASE 13052: Continued from April 24, 2003, Examiner Hearing.

Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Waylon State/Fee Exploratory Unit for an area comprising 2560.00 acres of State of New Mexico and fee lands in Sections 14, 15, 21 and 22 of Township 11 South, Range 34

East, which is located approximately 11 miles Northwest of Tatum, New Mexico.

CASE 13054: Continued from April 24, 2003, Examiner Hearing.

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation in the following described spacing and proration units located in the W/2 of Section 33, Township 17 South, Range 26 East: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated East Eagle Creek Atoka-Morrow Gas Pool, the Kennedy Farms-Morrow Gas Pool, the Undesignated Eagle Creek-Strawn Gas Pool and the Undesignated Kennedy Farms-Upper Pennsylvanian Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the NE/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Three Mile-San Andres Pool. Said units are to be dedicated to its Harriett "BBT" Com Well No. 1 to be drilled at a standard gas well location 660 feet from the North line and 1930 feet from the West line (Unit C) of said Section 33. 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 16 miles west of Loco Hills, New Mexico.

CASE 13071: Application of MYCO Industries, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow Formation in the following described spacing and proration units located in the W/2 of Section 31, Township 21 South, Range 28 East: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the East Carlsbad-Morrow Gas Pool, Undesignated West Indian Flats-Atoka Gas Pool, Undesignated Tansill Dam-Atoka Gas Pool, East Carlsbad-Strawn Pool, and Undesignated East Carlsbad-Wolfcamp Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; and the NW/4 SW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Juneau "31" Fee Com Well No. 1 to be drilled at a standard gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1.4 miles southwest of mile marker 42.5 on Highway 62-180 east of Carlsbad, New Mexico.

CASE 13072: Application of MYCO Industries, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow Formation in the following described spacing and proration units located in the E/2 of Section 31, Township 21 South, Range 28 East: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the East Carlsbad-Morrow Gas Pool, Undesignated West Indian Flats-Atoka Gas Pool, Undesignated Tansill Dam-Atoka Gas Pool, East Carlsbad-Strawn Pool, and Undesignated East Carlsbad-Wolfcamp 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. Said units are to be dedicated to its Panther City "31" Federal Com Well No. 1 to be drilled at a standard gas well location 882 feet from the South line and 660 feet from the East line (Unit P) of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1.5 miles Southeast of mile marker 42.5 on Highway 62-180 east of Carlsbad, New Mexico.

CASE 13073: Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface through the Mississippian Chester