Examiner Hearing – July 10, 2003 Docket No. 20-03 Page 8 of 9

CASE 12815: Reopened - Continued from June 5, 2003, Examiner Hearing.

In the matter of Case 12815 being reopened pursuant to the provisions of Division Order No. R-11771, which order promulgated temporary special pool rules for the North Osudo-Devonian Pool in Lea County, New Mexico, including provisions for 160-acre spacing units and designated well locations. Operators in the North Osudo-Devonian Pool should appear and show cause why the temporary special pool rules established for this pool should not be rescinded and the pool not be developed on statewide 40-acre spacing.

<u>CASE 13105</u>: Application of Xeric Oil & Gas Corporation for Salt Water Disposal, Lea County, New Mexico. Applicant seeks authority to utilize its Gregory "A" Well No. 5 (API No. 30-025-11884) located 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 33, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, to dispose of produced water into the Yates, Seven Rivers and/or Queen formations (Langlie-Mattix Pool) through the perforated interval from approximately 3,116 feet to 3,128 feet. This well is located approximately 2 miles southeast of Jal, New Mexico.

CASE 13050: Continued from June 19, 2003, Examiner Hearing.

Application of Doyle Hartman, Oil Operator for simultaneous dedication, an exception to Rule 3 (D) of the Special Rules and Regulations for the Eumont Gas Pool, an unorthodox infill gas well location, and to amend Division Administrative Order NSL-4773 (SD), Lea County, New Mexico. Division Administrative Order NSL-4773 (SD) dated September 4, 2002 authorized Doyle Hartman, Oil Operator to simultaneously dedicate the following six gas wells to a non-standard 320-acre gas spacing unit (approved by Division Order No. R-5448) within the Eumont Gas Pool (76480) comprising the W/2 E/2 and E/2 W/2 of Section 7, Township 20 South, Range 37 East, which is located approximately three (3) miles south-southwest of Monument, New Mexico:

- (i) H. M. Britt Well No. 1 (**API No. 30-025-05972**), located at a standard gas well location 1980 feet from the North and West lines (Unit F) of Section 7;
- (ii) H. M. Britt Well No. 3 (API No. 30-025-05991), located at an unorthodox gas well location (approved by Division Order No. R-5448) 2310 feet from the North line and 1650 feet from the East line (Unit G) of Section 7;
- (iii) H. M. Britt Well No. 4 (API No. 30-025-05992), located at a standard gas well location 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 7;
- (iv) H. M. Britt Well No. 5 (API No. 30-025-05993), located at a standard gas well location 1980 feet from the South and West lines (Unit K) of Section 7;
- (v) H. M. Britt Well No. 12 (API No. 30-025-05999), located at an unorthodox gas well location (approved by Division Order No. R-5448) 330 feet from the North line and 2281 feet from the West line (Unit C) of Section 7; and
- (vi) Britt Well No. 14 (API No. 30-025-35152), located at an unorthodox gas well location [approved by Division Administrative Order NSL-4773 (SD)] 1400 feet from the South line and 2310 feet from the East line (Unit J) of Section 7.

Applicant now seeks an exception to Rule 3 (D) of the "Special Rules and Regulations for the Eumont Gas Pool", as promulgated by Division Order No. R-8170, as amended, to allow its existing H. M. Britt Well No. 2 (API No. 30-025-05990), located at a standard infill gas well location 660 feet from the North line and 1980 feet from the West line (Unit C) of Section 7 to be recompleted as a Eumont Gas Pool within the same quarter-quarter section (NE/4 NW/4) as the H. M. Britt Well No. 12. Further, applicant proposes to replace the H. M. Britt Well No. 3 within the SW/4 NE/4 (Unit G) of Section 7