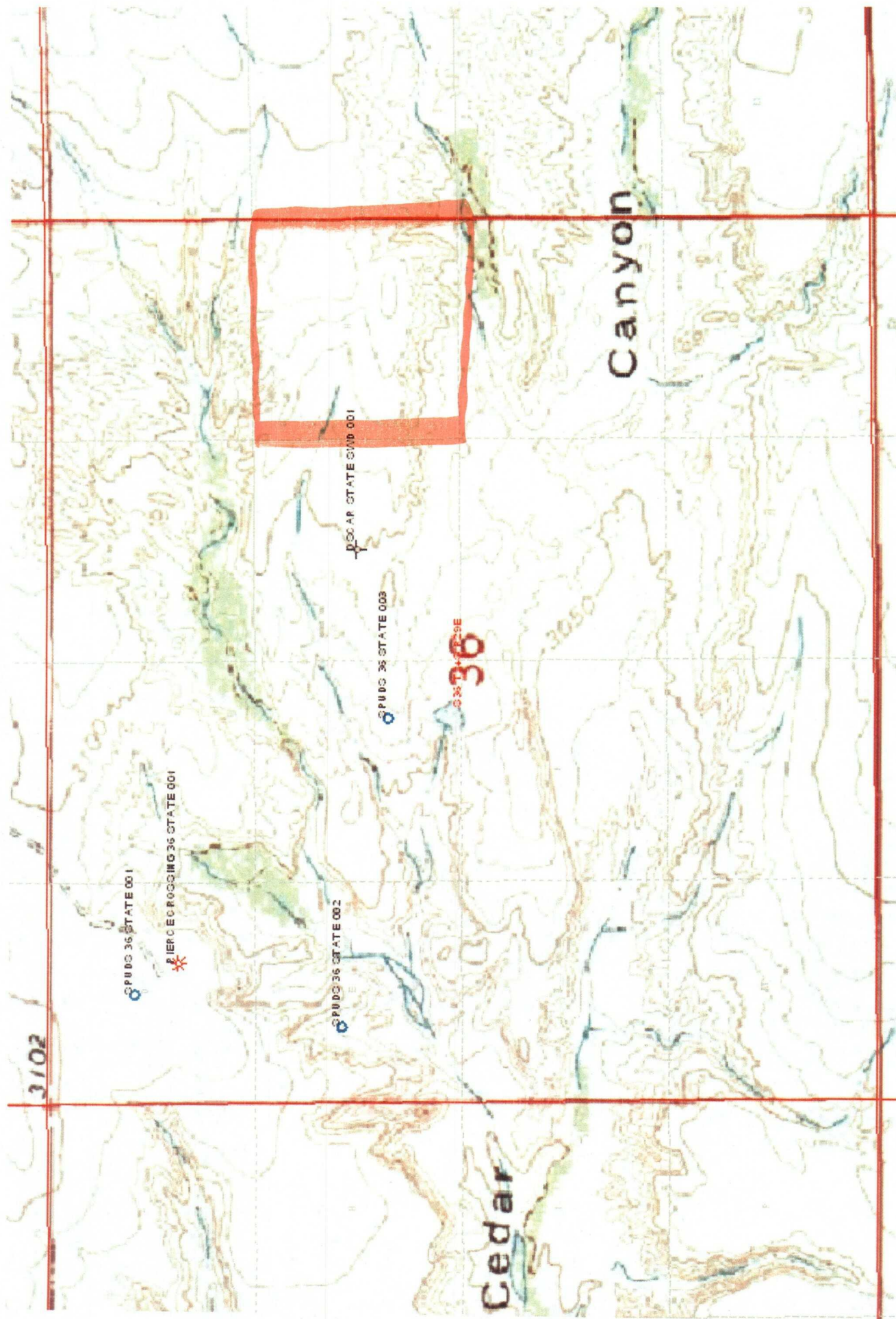


RBDMS Map



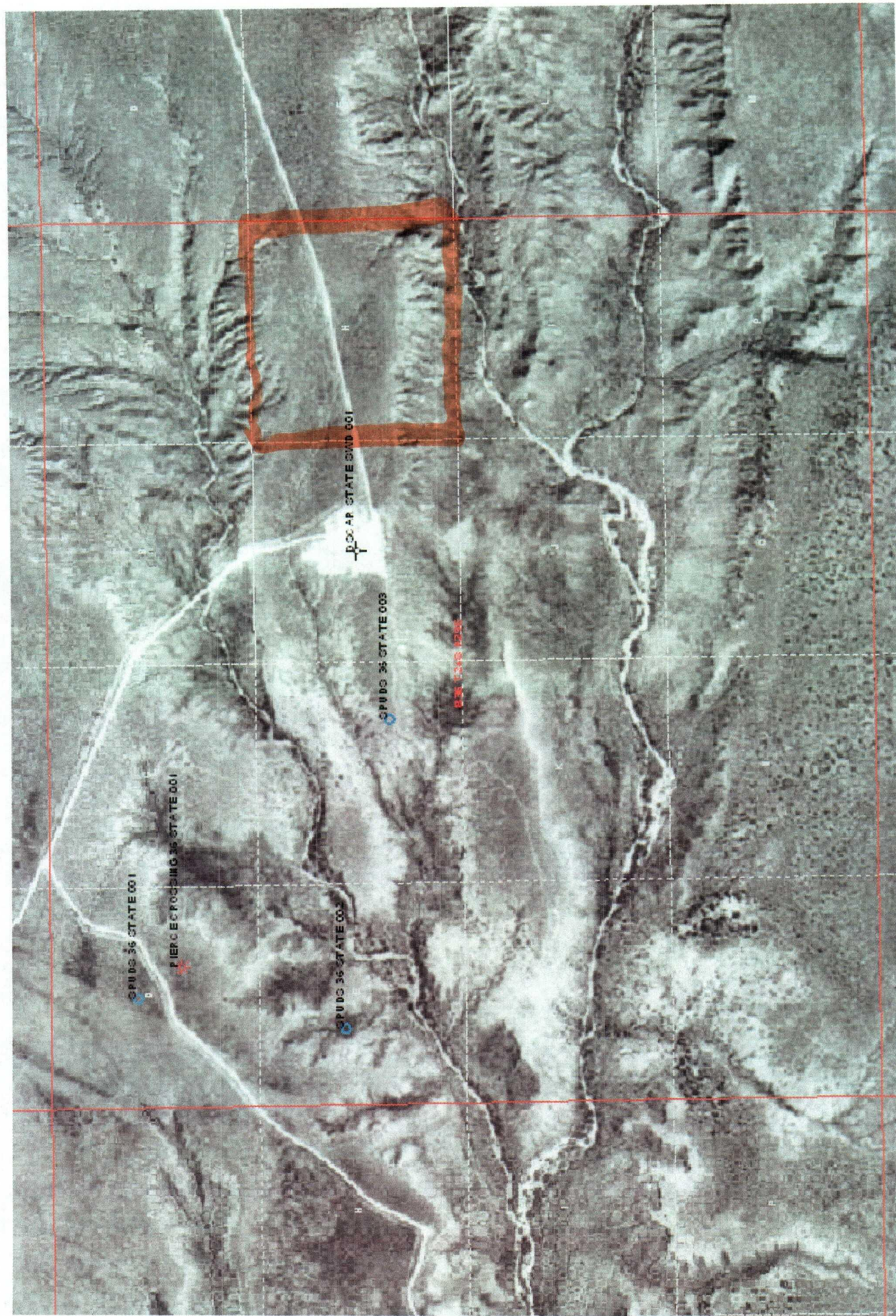
Oil Conservation Division

MapNotes

DrawnBy

3/31/2006 10:14:13 AM

RBDMS Map



DrawnBy

3/31/2006 10:12:51 AM

MapNotes

Oil Conservation Division



CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

03/31/06 09:08:15
OGOMES -TQL7
PAGE NO: 1

Sec : 36 Twp : 24S Rng : 29E Section Type : NORMAL

D 40.00 CS VA2956 0001 MEWBOURNE OIL COM 08/01/08 A A	C 40.00 CS VA2956 0001 MEWBOURNE OIL COM 08/01/08	B 40.00 CS VA07100-0000 CROWN OIL PARTNER 07/01/09	A 40.00 CS VA07100-0000 CROWN OIL PARTNER 07/01/09
E 40.00 CS VA2956 0001 MEWBOURNE OIL COM 08/01/08 A	F 40.00 CS VA2956 0001 MEWBOURNE OIL COM 08/01/08 A	G 40.00 CS VA07100-0000 CROWN OIL PARTNER 07/01/09 A A	H 40.00 CS VA07100-0000 CROWN OIL PARTNER 07/01/09
L 40.00 CS VA2956 0001 MEWBOURNE OIL COM 08/01/08	K 40.00 CS VA2956 0001 MEWBOURNE OIL COM 08/01/08	J 40.00 CS VA07100-0000 CROWN OIL PARTNER 07/01/09	I 40.00 CS VA07100-0000 CROWN OIL PARTNER 07/01/09
M 40.00 CS VA2956 0001 MEWBOURNE OIL COM 08/01/08	N 40.00 CS VA2956 0001 MEWBOURNE OIL COM 08/01/08	O 40.00 CS VA07100-0000 CROWN OIL PARTNER 07/01/09	P 40.00 CS VA07100-0000 CROWN OIL PARTNER 07/01/09

NOTICE OF HEARING

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on **April 27, 2006**, in the Oil Conservation Division Hearing Room at 1220 South St. Francis Drive, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by **April 17, 2006**. Public documents, including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO:

**All named parties and persons
having any right, title, interest
or claim in the following cases
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE NO. 13675: (Continued from March 16, 2006 Examiner Hearing) Application of the New Mexico Oil Conservation Division for an Order Requiring Stevens Operating Corporation to Plug 7 Wells and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Chaves County, New Mexico. The Applicant seeks an order requiring Stevens Operating Corporation to plug the following wells and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
O'BRIEN C #001	30-005-10188	M-1-09S-28E
O'BRIEN C #004	30-005-60330	L-1-09S-28E
O'BRIEN C #009	30-005-62661	E-1-09S-28E
O'BRIEN DQ #001	30-005-60731	4-30-07S-29E
O'BRIEN DQ #002	30-005-61017	N-30-07S-29E
O'BRIEN EA #001	30-005-62240	F-33-07S-29E
WEST WHITE RANCH #002	30-005-10094	H-1-12S-28E

CASE NO. 13686: (Continued and readvertised) Amended Application of DKD, LLC for an Order Revoking the Injection Authority for the Gandy Corporation State "T" Well No. 2, Lea County, New Mexico.

Applicant seeks an order immediately and permanently revoking the authority of Gandy Corporation to utilize its State "T" Well No. 2 for the injection of produced water for disposal purposes. The State "T" Well No. 2 (API No. 30-025-03735) is located 4,290' FSL and 500' FWL, Lot 12, in Section 6, T16S, R36E, NMPM in Lea County, New Mexico. Gandy utilizes

the State "T" Well No. 2 to dispose of produced water into the San Andres and Glorieta formations pursuant to SWD-836 and Order No. R-12171. Applicant is the owner and operator of the Watson "6" No. 1 Well (API No. 30-025-34197) located 2857' FSL and 1417' FWL in Unit N, of said Section 6 utilized for the disposal of produced water by injection into the Cisco and Canyon formations (SWD-834). Applicant also owns and operates the Snyder "A" No. 1 Well (API No. 30-025-03727) located 2319' FSL and 330' FWL in Unit L of said Section 6. The Snyder "A" No. 1 Well was originally drilled to and produced from the Strawn formation. The subject lands and wells are located approximately three miles west of Lovington, New Mexico.

CASE NO. 13493: *(Reopened) Application of Chesapeake Permian, L.P. for Compulsory Pooling, Lea County, New Mexico.* By Order No. R-12343-B issued by the Division on January 10, 2006, all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of irregular Section 4, Township 21 South, Range 35 East, were pooled to form a standard 320-acre gas spacing and proration unit for any production from any and all formations/pools developed on 320-acre gas spacing within that vertical extent, including but not limited to the South Osudo Morrow Pool. The 320-acre unit is dedicated to the Chesapeake KF 4 State Well No. 1 (API #30-025-37129) drilled at a standard surface location 660 feet from the South line and 990 feet from the East line to a bottom hole location 711 feet from the South line and 1888 feet from the East line of said Section 4. Chesapeake Operating, Inc. was designated operator of the well and was directed to furnish the Division and each known pooled working interest owner, including non-consenting interest owners, with an itemized schedule of actual well costs within ninety (90) days following completion of the well. Pursuant to the Notice of Objection to Well Costs filed by Kaiser-Francis Oil Company, and Samson Resources Company, the Division will consider the costs of drilling and completing this well and will determine reasonable well costs. The well and unit are located approximately 6 miles west of Oil Center, New Mexico.

CASE NO. 13697: *Application of Latigo Petroleum, Inc. for compulsory pooling, Lea County, New Mexico.* Latigo Petroleum, Inc. seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 9, Township 16 South, Range 32 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Anderson Ranch-Morrow Gas Pool. The unit is to be designated to the Anderson Ranch "9" State Well No. 1, to be drilled at an orthodox gas well location in the NE/4 NE/4 of Section 9. 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 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles north-northwest of Maljamar, New Mexico.

CASE NO. 13698: *Application of Yates Petroleum Corporation for approval of a Unit Agreement, Eddy County, New Mexico.* Applicant seeks approval of the Manchester State Exploratory Unit from the surface to the base of the Morrow formation in an area comprising 2,240 acres of State of New Mexico lands in Sections 20, 29, 31, and 32 in Township 19 South, Range 23 East, NMPM, which is located approximately 20 miles west of Lakewood, New Mexico.

CASE NO. 13699: In the matter of the hearing called by the Oil Conservation Division to consider:

The creation of the following described pool in Eddy County:

Rio Penasco-Wolfcamp Gas Pool in Township 18
South, Range 24 East;

The extension of the following pools in Eddy County:

East Black River-Wolfcamp Gas
Cabin Lake-Delaware
Cemetery-Wolfcamp Gas
Cottonwood Creek-Wolfcamp Gas
Southeast Crow Flats-Morrow Gas
Four Mile Draw-Morrow Gas
Fren-Paddock
Happy Valley-Morrow Gas
Malaga-Morrow Gas
Nash Draw-Delaware/Bone Spring (Avalon Sand)
West Parkway-Atoka Gas
Penasco Draw-Morrow Gas
Sulphate Draw-Wolfcamp Gas

The extension of the following pools in Chaves County:

Buffalo Valley-Pennsylvanian Gas
Coyote-Wolfcamp Gas
Northwest Foor Ranch-Wolfcamp Gas

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

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe,
New Mexico on this 29th day of March, 2006.

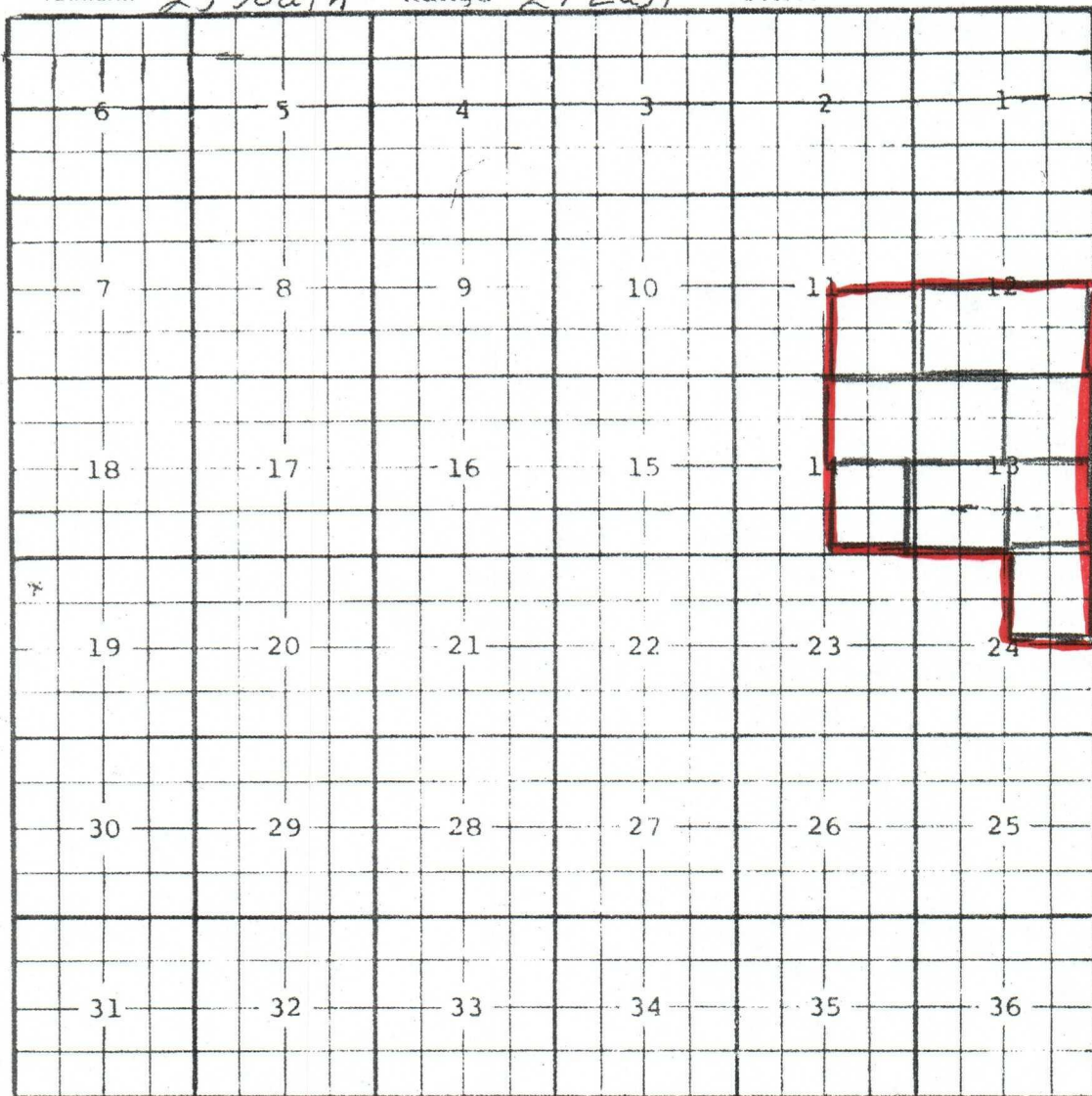
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Mark E. Fesmire, P. E.
Division Director

S E A L

County Eddy Pool Nash Draw-Delaware/Bone Spring (Avalon Sand)

TOWNSHIP 23 South Range 29 East NMPM



Description: NE 1/4 Sec. 13 (R-9771, 11-19-92)

Ext: S 1/2 Sec. 12 (R-9938-A, 11-23-93) Ext: SE 1/4 Sec. 13 (R-10042, 12-28-93)

Ext: NE 1/4 Sec. 24 (R-10343, 4-24-95) Ext: NW 1/4 Sec. 13, NE 1/4 Sec. 14 (R-10420, 7-17-95)

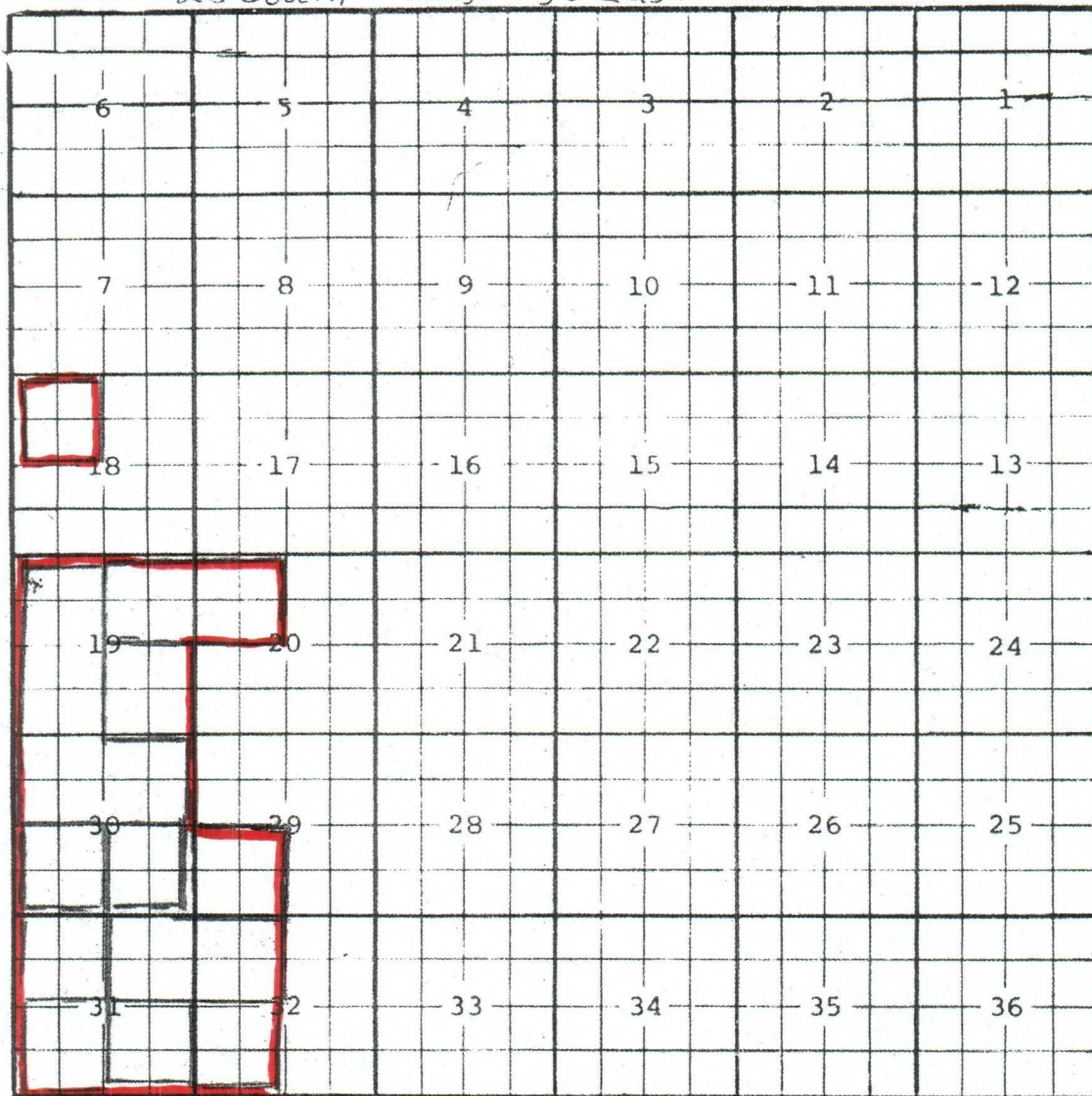
Ext: SE 1/4 Sec. 14 (R-10664, 9-16-96) Ext: SW 1/4 Sec. 13 (R-11005, 7-24-98)

Extend vertical limits to include all of Delaware Mountain Group from top of Lamar formation to base of Brushy Canyon formation and redesignate as Nash Draw-Delaware Pool (R-11534, 2-8-01) Ext: SE 1/4 Sec. 11 (R-11729, 2-22-02)

Extend vertical limits to include top of the Lamar of the Delaware Mountain Group and continue to the base of the Avalon sands in the Upper Bone Spring formation and redesignate the pool as the Nash Draw-Delaware/Bone Spring (Avalon Sand) Pool (R-12567, 2-13-06)

county Eddy pool Nash Draw-Delaware/Bone Spring(Avalon Sand)

TOWNSHIP 23 South Range 30 East NMPM



Ext: $\frac{NW}{4}$ Sec. 18 (R-10042, 12-28-93) Ext: $\frac{W}{2}$ Sec. 19, $\frac{N}{2}$ Sec. 30 (R-10459, 9-11-95)

Ext: $\frac{SW}{4}$ Sec. 30 (R-10590, 5-8-96) Ext: $\frac{SE}{4}$ Sec. 30 (R-10642, 8-19-96)

Ext: $\frac{NE}{4}$ 31, $\frac{NW}{4}$ Sec. 32 (R-10838, 1-9-98)

Ext: $\frac{NE}{4}$ Sec. 19, $\frac{NW}{4}$ Sec. 20 (R-11005, 7-24-98) Ext: $\frac{SE}{4}$ Sec. 31 (R-11359, 4-12-00)

Extend vertical limits to include all of Delaware Mountain Group from top of Lamar formation to base of Brushy Canyon formation and redesignate as Nash Draw-Delaware Pool

(R-11534, 2-8-01) Ext: $\frac{SW}{4}$ Sec. 32 (R-11583, 5-7-01) Ext: $\frac{NW}{4}$ Sec. 31 (R-11678, 10-23-01)

Ext: $\frac{SW}{4}$ Sec. 31 (R-11729, 2-22-02) Ext: $\frac{SE}{4}$ Sec. 19 (R-12252, 1-8-05)

Ext: $\frac{SW}{4}$ Sec. 29 (R-12442, 10-27-05)

Extend vertical limits to include the top of the Lamar of the Delaware Mountain Group and continue to the base of the Avalon sands in the Upper Bone Spring formation and redesignate the pool as the Nash Draw-Delaware/Bone Spring(Avalon Sand) Pool (R-12507, 2-18-06)

County Eddy

Nash Draw-Delaware/Bone
Pool Spring(Avalon Sand)

TOWNSHIP 24 South, RANGE 29 East, NEW MEXICO PRINCIPAL MERIDIAN

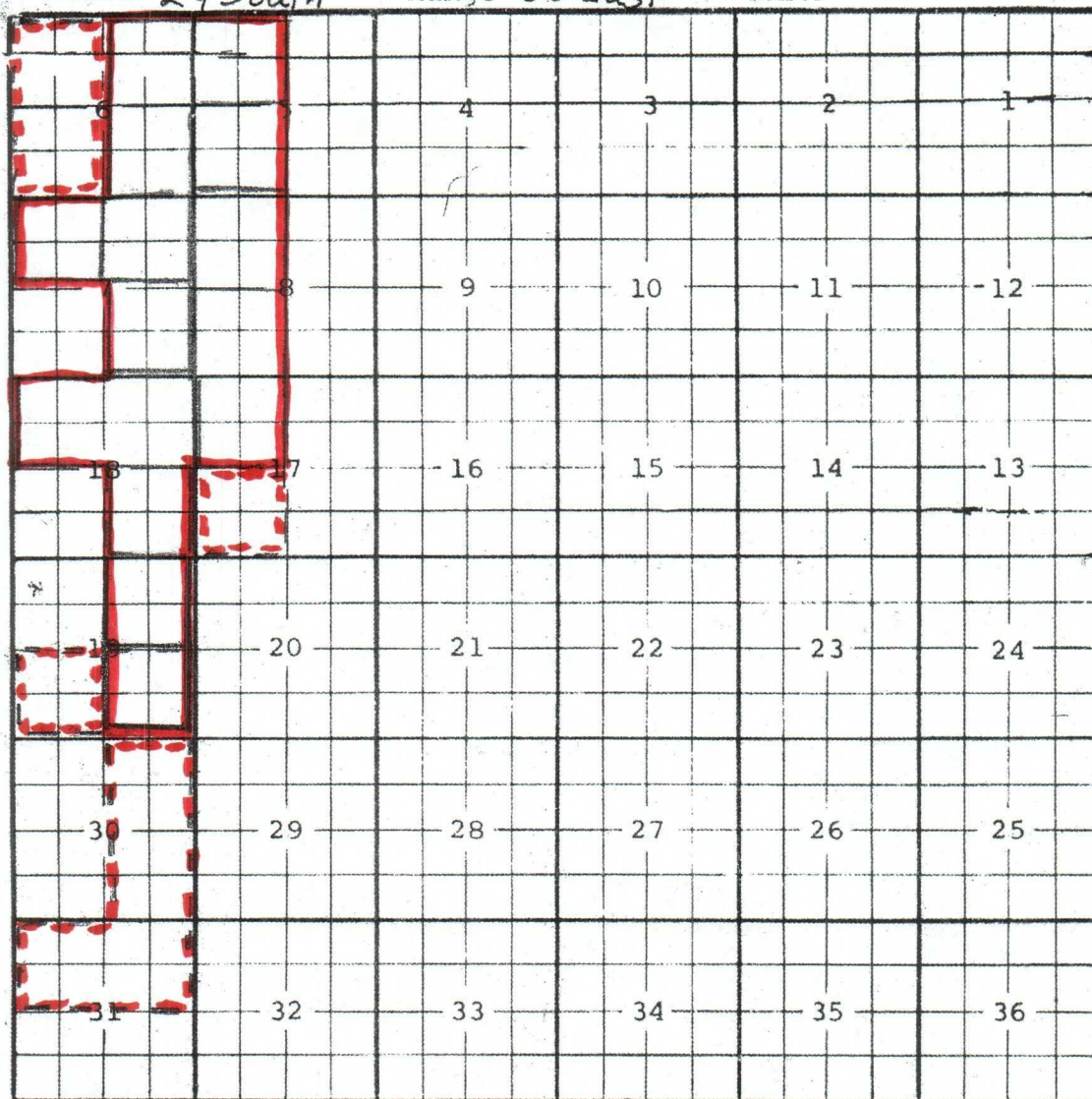
6	8	4	3	2	1	
7	8	9	10	11	12	
16	17	18	19	14	13	
19	20	21	22	23	24	
26	26	28	27	26	25	
31	32	33	34	35	36	

County Eddy Pool Nash Draw-Delaware/Bone Spring/Avalon Sand

TOWNSHIP 24 South

Range 30 East

NMPM



Ext: NW 1/4 Sec. 5, SE 1/2 Sec. 6 (R-11678, 10-23-01) Ext: NE 1/4 Sec. 7 (R-11908, 2-12-03)

Ext: NW 1/4 Sec. 7 (R-11963, 5-15-03) Ext: SW 1/4 Sec. 5, SE 1/4 Sec. 7 (R-12003, 8-11-03)

Ext: SW 1/4 Sec. 8, NW 1/4 Sec. 17 (R-12082, 1-14-04) Ext: N 1/2 Sec. 18 (R-12153, 6-7-03)

Ext: NW 1/4 Sec. 8 (R-12222, 10-25-04) Ext: SE 1/4 Sec. 18 (R-12288, 8-28-05)

Ext: NE 1/4 Sec. 19 (R-12420, 10-6-05) Ext: SE 1/4 Sec. 19 (R-12448, 10-27-05)

Extend vertical limits to include the top of the Lamar of the Delaware Mountain Group and continue to the base of the Avalon Sands in the Upper Bone Spring formation and redesignate the pool as the Nash Draw-Delaware/Bone Spring (Avalon Sand) Pool (R-12507, 1-13-06)