

CASE 13232: Readvertised

Application of Marbob Energy Corporation for an order authorizing the drilling of a well in the Potash Area, Eddy County, New Mexico. Applicant seeks an order authorizing the drilling of its proposed Pretty View Com Well No. 1 as a wildcat well to an approximate depth of 12,500 feet to test all formations to the base of the Morrow formation, Undesignated Northeast Dos Hermanos-Morrow Gas Pool. This well will be drilled at a standard gas well location in the SE/4 SW/4 (Unit N) of Section 2, Township 20 South, Range 30 East. Said location is within the Potash Area and approximately 15 miles northeast of Carlsbad, New Mexico.

CASE 13244: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Lacy J State Exploratory Unit for an area comprising 7680.00 acres of State of New Mexico lands in Sections 3 through 10 and 15 through 18, Township 12 South, Range 34 East, which is located approximately 15 miles northwest of Tatum, New Mexico.

CASE 13245: 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 Morrow formation in the W/2 of Section 3, Township 18 South, Range 26 East, for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Kennedy Farms-Morrow Gas Pool and the Undesignated Kennedy Farms-Upper Pennsylvanian Gas Pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location 1200 feet from the North line and 1800 feet from the East line (Unit B) of said Section 3. 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 imposition of a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Loco Hills, New Mexico.

CASE 13229: Continued from March 4, 2004, Examiner Hearing.

Application of Yates Petroleum Corporation for an unorthodox location, an exception to Division Rule 104.C (2) (b), and a retroactive approval date for any order issued in this case, Chaves County, New Mexico. Applicant seeks an exception to the applicable well location set-back requirements governing all formations or pools from the surface to the top of the Palma Mesa Siluro-Ordovician Gas Pool (82556) for its existing Hanlad "AKZ" State Well No. 2 (API No. 30-005-62911), located 330 feet from the South line and 1225 feet from the West line (Unit M) of Section 13, Township 8 South, Range 27 East (which well was the subject of Division Order No. R-9721, issued in Case No. 10489 on June 11, 1992, approving this well as an unorthodox gas well location in the Palma Mesa Siluro-Ordovician Gas Pool within a standard 320-acre deep gas spacing unit comprising the S/2 of Section 13), this well to be dedicated to the following described spacing and proration units: (i) the S/2 to form a standard 320-acre lay-down deep gas spacing unit for all formations and/or pools developed on 320-acre spacing within this vertical extent [see Division Rule 104.C(2)], which presently includes but not necessarily limited to the Palma Mesa-Pennsylvanian Gas Pool (82550); (ii) the SW/4 to form a standard 160-acre shallow gas spacing unit for any and all formations and/or pools developed on 160-acre spacing within this vertical extent [see Division Rule 104.C (3)], which presently includes but not necessarily limited to the Undesignated Pecos Slope-Abo Gas Pool (82730) [Rule 4 of the "Special Rules and Regulations for the Pecos Slope-Abo Gas Pool," as promulgated by Division Order No. R-9976-C, dated March 19, 1996]; and (iii) the SW/4 SW/4 (Unit M) 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 this vertical extent, which presently includes but not necessarily limited to the Southeast Acme-San Andres Pool (800) [see Division Rule 104.B (1)]. This well is located approximately eight miles southwest of Elkins, New Mexico. **APPLICANT FURTHER SEEKS** an exception to Division Rule 104.C (2) (b) in order to recomplete the Hanlad "AKZ" State Well No. 2 as an infill Pennsylvanian gas well within the same quarter section (SW/4 of Section 13) as an existing well producing from the Palma Mesa-Pennsylvanian Gas Pool. The S/2 of Section 13, being a standard 320-acre lay-down deep gas spacing unit in the Palma Mesa-Pennsylvanian Gas Pool is currently dedicated to the applicant's Hanlad "AKZ" State Well No. 1 (API No. 30-005-61493), located at a standard deep gas well location 660 feet from the South and West lines (Unit M) of Section 13. **FURTHERMORE**, applicant seeks an effective date for any order issued in this case is made retroactive to October 15, 2003.

CASE 13236: Continued from March 18, 2004, Examiner Hearing.

Application of Preston Exploration, L.L.C. for compulsory pooling, Eddy County New Mexico. Applicant seeks an order pooling all mineral interests in the Strawn formation, (Eagle Creek Strawn Gas Pool), Atoka and Morrow formations, (Eagle Creek East Atoka-Morrow Gas Pool) and the Pennsylvanian formation (Eagle Creek Permo-Pennsylvanian Gas Pool) underlying the N/2 of Section 29, Township 17 South, Range 26 East to form standard 320-acre gas spacing and proration units for any and all formations and/or pools developed on 320-acre spacing within that vertical