

CASE 13264: Continued from May 27, 2004, Examiner Hearing.

Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the following described acreage in Section 9, Township 23 South, Range 34 East, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Northeast Bell Lake-Devonian Gas Pool. The unit is to be dedicated to the Rio Blanco "9" Well No. 1, which will be located at a standard location in the NW/4 NW/4 (Unit D) of the section. 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 20 miles southwest of Eunice, New Mexico.

CASE 13218: Continued from May 27, 2004, Examiner Hearing

Application of Concho Resources 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 S/2 of Section 17, Township 19 South, Range 33 East, to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Buffalo-Pennsylvanian Gas Pool, Undesignated Tonto-Atoka Gas Pool, and Undesignated Gem-Morrow Gas Pool. The unit will be dedicated to applicant's Excalibur "17" Fed. Com. Well No. 1, to be located at an orthodox location in the SE/4 SE/4 of Section 17. 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 1 1/2 miles south-southeast of Maljamar, New Mexico.

CASE 13280: Application of Chesapeake Permian, L.P. for Compulsory Pooling, Lea County, New Mexico.

Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the SW/4 SE/4 of Section 23, Township 12 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any production from any and all formations/pools developed on 40-acre spacing within that vertical extent, including the Trinity-Wolfcamp Pool. This unit is to be dedicated to its Burrus "23" Federal Well No. 1 that is to be drilled at a standard location in Unit O of this section. 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 Chesapeake Operating, Inc. as the operator of the well and, pursuant to Commission Order R-11992, a risk charge of 200% for the risk involved in this well. This unit is located approximately 14 miles east of Tatum, New Mexico.

CASE 13253: Continued from May 27, 2004, Examiner Hearing

Application of Yates Petroleum Corporation for an Order Authorizing the Drilling of Three Wells in the Potash Area, Eddy County, New Mexico. Applicant seeks an order approving the drilling of the following three wells located within the Potash Area in Section 2, Township 23 South, Range 30 East:

- (A) Yates Petroleum Corporation Theodore "BDY" State Well No. 1 1980 feet from the South and West lines (Unit K);
- (B) Yates Petroleum Corporation Theodore "BDY" State Well No. 2 330 feet from the South line and 1650 feet from the East line (Unit O); and
- (C) Yates Petroleum Corporation Theodore "BDY" State Well No. 3 843 feet from the South line and 774 feet from the East line (Unit P).

These wells will be drilled as wildcat wells to an approximate depth of 7,850 or 100 feet below the base of the Delaware formation to test all formations from the surface to the base of the Delaware formation. These wells will be drilled at orthodox oil well locations on standard 40-acre oil spacing units in Section 2, Township 23 South, Range 30 East. Said location is within the Potash Area and approximately 8 miles east of Carlsbad, New Mexico.