

CASE 13253: *Continued from June 10, 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.

CASE 13292: *Application of Platinum Exploration, Inc. for Approval of a Salt Water Disposal Well, Lea County, New Mexico.* Applicant seeks approval to utilize its Huber State Well No. 1 (API No. 30-025-27290) located 330 feet from the North line and 1150 feet from the East line, Section 5, Township 16 South, Range 38 East, to dispose of produced water into the Devonian formation from an openhole depth of 13,300 feet to 13,600 feet. This well is located approximately 16 miles east of Lovington, New Mexico, near the Texas state line.

CASE 13293: *Application of Gandy Corporation for Approval of a Salt Water Disposal Well, Lea County, New Mexico.* Applicant seeks approval to utilize its State “T” Well No. 2 (API No. 30-025-03735) located 4,290 feet from the South line and 500 feet from the West line, Lot 12, Section 6, Township 16 South, Range 36 East, to dispose of produced water into the San Andres and Glorieta formations through perforations from 4,810 feet to 6,880 feet. This well is located approximately 2 miles west of Lovington, New Mexico.

CASE 13258: *Continued from May 27, 2004, Examiner Hearing.*
Application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order requiring operator Inter-Continental Energy Inc. to bring one well into compliance with 19.15.4.201 NMAC and 19.15.4.202 NMAC by a date certain, assessing appropriate civil penalties against the operator, authorizing the Division to plug said well, forfeiting the operator’s plugging security, and for such other relief as the Director deems appropriate. The affected well is: R. Fant #1, API #30-039-26436, Unit Letter O, Section 24, Township 31 North, Range 2 East, Rio Arriba County, New Mexico.

CASE 13294: *In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.*

- (a) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Morrow production and designated as the South Black River-Morrow Gas Pool (Pool Code 97352). The discovery well is the Yates Petroleum Corporation Humidor State Well No. 1 (API No. 30-015-32889) located in Unit A of Section 23, Township 24 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM
Section 23: E/2