Examiner Hearing – August 5, 2004 Docket No. 21-04 Page 2 of 6

authority to simultaneously dedicate the N/2 of Section 19 in the Morrow formation to its Esperanza well and to the Wynn-Crosby Energy, Inc. RGD Well No. 1 located in the NE/4 NE/4 of the Section and to simultaneously dedicate the N/2 of Section 19 in the Strawn, Atoka and other formations to its Esperanza Well and the Vernon E. Faulconer, Inc. Pioneer Federal Com Well No. 1 located in the SW/4 NE/4 of Section 19. This unit is located approximately one mile northeast of Carlsbad, New Mexico.

CASE 13306: Continued from July 22, 2004, Examiner Hearing.

Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation in the S/2 of Section 2, Township 20 South, Range 27 East, for all formations and/or pools developed on 320-acre spacing, which includes but is not necessarily limited to the Angell Ranch-Atoka Morrow Gas Pool. Said unit is to be dedicated to its Angel Draw "2" State Com Well No. 1 to be drilled at a standard location 990 feet from the South line and 660 feet from the East line of said Section 2 and drilled to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles north of Carlsbad, New Mexico.

CASE 13284: Continued from July 22, 2004, Examiner Hearing

Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from 3000 feet subsurface to the base of the Morrow formation underlying the following described acreage in Section 33, Township 16 South, Range 28 East, and in the following manner: the W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Southeast Crow Flats-Morrow Gas Pool; the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and the NE/4 NW/4 to form a standard oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to applicant's Falcon Keys "33" State Com. Well No. 1, to be drilled at an orthodox location in the NE/4 NW/4 of Section 33. 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 units are located approximately 12½ miles east-northeast of Artesia, New Mexico.

CASE 13316: Application of Murchison Oil & Gas, Inc. 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 underlying the following described acreage in Section 19, Township 17 South, Range 27 East, and in the following manner: The N/2 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 Logan Draw-Cisco Canyon Gas Pool, Undesignated Hart Draw-Atoka Gas Pool, and Undesignated Logan Draw-Morrow Gas Pool; the NW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the SE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Logan Draw-San Andres Pool. The units are to be dedicated to the Haines Well No. 1, to be drilled at an orthodox well location in the SE/4 NW/4 of Section 19. 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 units are located approximately 5 miles east-southeast of Artesia, New Mexico.

CASE 13317: Application of Murchison Oil & Gas, Inc. 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 underlying the following described acreage in Section 2, Township 17 South, Range 28 East, and in the following manner: Lots 3, 4, S/2 NW/4, and the SW/4 (the W/2 equivalent) to form a standard 318.48-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Empire-Atoka Gas Pool and Undesignated Southeast Crow Flats-Morrow Gas Pool; Lots 3, 4, and the S/2 NW/4 (the NW/4 equivalent) to form a standard 158.48-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and Lot 4 to form a standard 39.26-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the Panda Bear State Com. Well