Examiner Hearing – August 19, 2004 Docket No. 23-04 Page 2 of 5

CASE 13324: Application of EOG Resources, Inc. for Compulsory Pooling and Directional Drilling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the N/2 of Section 32, Township 19 South, Range 28 East: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Winchester-Morrow Gas Pool, the Undesignated Winchester-Atoka Gas Pool, and the Undesignated Burton Flat-Strawn Gas; and the NW/4 for all formations and/or pools developed on 160-acre spacing. Said units are to be dedicated to its State "32" Com Well No. 2 to be directionally drilled from a surface location 2404 feet from the North line and 1083 feet from the West line to a standard bottomhole gas well location 1980 feet from the North line and 660 feet from the West line (Unit E) of said Section 32, to a depth sufficient to test any and all formations in the pooled interval to the base of the Morrow formation. The well will be at a standard location in all formations. 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 a 200% charge for risk involved in drilling said well. Said area is located approximately 11 miles northeast of Carlsbad, New Mexico.

In The Matter Of The Application Of Myco Industries, Inc. For Compulsory Pooling And Non-Standard Atoka Spacing Unit, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation under the following acreage in Section 14, Township 21 South, Range 27 East: the E/2 to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include but are not necessarily limited to the Undesignated East Carlsbad-Wolfcamp, Undesignated Cedar Hills-Upper Pennsylvanian, Undesignated Burton Flat-Strawn, and the Burton Flat-Morrow Gas Pools; the SE/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent, which presently includes but is not necessarily limited to the East Avalon-Bone Spring Gas Pool; and the SW/4 SE/4 to form a standard 40-acre spacing and proration unit for all formations or pools spaced on 40 acres within this vertical extent. Myco also seeks the formation of a 160-acre non-standard gas spacing and proration unit for the Atoka formation comprised of the SE/4 of Section 14, which presently includes but is not necessarily limited to the South Burton Flat - Atoka Pool. These spacing and proration units are to be dedicated to the existing Lonetree "14" State Com Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 14, which Myco proposes to re-enter and initially re-complete at a standard location in the Morrow formation. Also to be considered will be the cost of re-entry and re-completion of said well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in re-completing said well. Said area is located approximately 12 miles northeast of Carlsbad, New Mexico.

CASE 13326: Application of Mewbourne Oil Company 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 following described spacing and proration units located in the W/2 of Section 30, Township 20 South, Range 29 East: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Scanlon-Morrow Gas Pool and the Undesignated Scanlon Strawn Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; the E/2 SW/4 for all formations and/or pools developed on 80-acre spacing; and the NE/4 SW/4 for any and all formations/pools developed on 40-acre spacing. Said units are to be dedicated to a well to be drilled at a standard gas well location 1650 feet from the South and West lines (Unit K) of said Section 30. 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 a charge for risk involved in drilling said well. Said area is located approximately 30 miles southwest of Lovington, New Mexico.