

CASE 13401: *Application of Platinum Exploration, Inc. to abolish the special rules and regulations for the Knowles (Devonian) Pool, Lea County, New Mexico.* Applicant seeks an order abolishing the special rules and regulations for the Knowles (Devonian) Pool, and instituting statewide well spacing and location regulations for the pool. The pool rules currently provide for 80-acre spacing, wells to be in either the northwest or southeast quarter-quarter section within a quarter section, and wells to be within 150 feet of the center of such quarter-quarter section. The pool covers all or parts of Sections 34 and 35, Township 16 South, Range 38 East, and Sections 2 and 3, Township 17 South, Range 38 East. The pool is centered approximately 3 miles north-northeast of Knowles, New Mexico.

CASE 13365: *Continued from December 16, 2004, Examiner Hearing.*
Application of Nadel and Gussman Permian, L.L.C. 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 33, Township 22 South, Range 28 East, and in the following manner: The S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Dublin Ranch-Atoka Gas Pool and Dublin Ranch-Morrow Gas Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to the Artemis Fed. Com. Well No. 1, to be located at an orthodox location in the SW/4 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 units are located approximately 4 miles north of Loving, New Mexico.

CASE 13389: *Continued from December 16, 2004, Examiner Hearing.*
Application of Nadel and Gussman Permian, L.L.C. for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 8, Township 13 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent. The unit is to be dedicated to the Cazador Fed. Well No. 1, located at an orthodox location in the SE/4 NE/4 of the section. Also to be considered will be the cost of re-entering 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 re-entering and completing the well. The unit is located approximately 6 miles east of Roswell, New Mexico.

CASE 13376: *Continued and Re-advertised.*
Application of COG Operating LLC for compulsory pooling and an unorthodox surface gas well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 33, Township 19 South, Range 33 East, 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 Undesignated Gem-Morrow Gas Pool. The unit is to be dedicated to the proposed Jade Viper 33 Fed. Com. Well No. 1, to be drilled from an unorthodox surface gas well location 495 feet from the North line and 1650 feet from the East line of Section 33, to an orthodox bottomhole location in the NW/4 NE/4 (Unit B) 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 unit is located approximately 16 miles southwest of Buckeye, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 13378: *Continued from December 16, 2004, Examiner Hearing.*
Application of Chi Energy, 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 28, Township 22 South, Range 27 East, and in the following manner: The S/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 Undesignated Otis-Atoka Gas Pool, and South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations developed on 160-acre spacing within that vertical extent, including the Undesignated North Cass Draw-Wolfcamp Pool; and the SE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre spacing within that vertical extent, including the Undesignated Wye-Delaware Pool. The units are to be dedicated to the proposed Skeen Well No. 2, to be drilled at an orthodox location in the SE/4 SE/4 (Unit P) of Section 28. 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 Chi Operating, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 2 miles northwest of Otis, New Mexico.

CASE 13379: *Continued from December 16, 2004, Examiner Hearing*
Application of Chi Energy, 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 29, Township 22 South, Range 27 East, and in the following manner: The S/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 Undesignated East Carlsbad-Wolfcamp Gas Pool, South Carlsbad-Strawn Gas Pool, and South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre spacing within that vertical extent, including the Wye-Delaware Pool. The units are to be dedicated to the proposed Rogers Well No. 1, to be drilled at an orthodox location in the NE/4 SE/4 (Unit D) of Section 29. 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 Chi Operating, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 2 1/4 miles west-northwest of Otis, New Mexico.

CASE 13393: *Continued from December 16, 2004, Examiner Hearing.*
Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests from the surface through the top 100 feet of the Mississippian Chester formation in the following described acreage in irregular Section 5, Township 21 South, Range 33 East: Lots 9 through 16 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Hat Mesa-Morrow Gas Pool; Lots 11 through 14 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; Lots 12 and 13 to form a standard spacing and proration unit for all formations and pools developed on 80-acre spacing within that vertical extent; and Lot 12 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to its Sombrero 5 State Well No. 1 to be drilled 3535 feet from the North line and 896 feet from the West line of said Section 5 to an approximate depth of 14,600 feet. 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 EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 25 miles southwest of Hobbs, New Mexico.

CASE 13380: *Continued from December 16, 2004, Examiner Hearing.*
Application of Chi Energy, 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 N/2 of Section 33, Township 22 South, Range 27 East, 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 Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cass Draw-Wolfcamp Gas Pool, Undesignated South Carlsbad-Strawn Gas Pool, Undesignated Otis-Atoka Gas Pool, and South Carlsbad-Morrow Gas Pool. The unit will be dedicated to the Otis 33 Well No. 2, to be re-entered at a previously approved unorthodox gas well location in the NE/4 NW/4 (Unit C) of Section 33. Also to be considered will be the cost of re-entering and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Chi Operating, Inc. as operator of the well, and a 200% charge for the risk involved in re-entering and completing the well. The units are located approximately 1 1/2 miles west of Otis, New Mexico.

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2004 DEC 15 AM 11 29

December 15, 2004

Mark E. Fesmire
Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Please continue or dismiss the following cases from the December 16, 2004 docket:

Case 13352 (Samson Resources):	Dismiss
Case 13387 (Latigo Petroleum):	Continue to 1/6/05 (this case is being referred to the administrative docket)
Case 13392 (Platinum Exploration):	Continue to 1/6/05 (additional notice required)
Case 13378 (Chi Energy):	Continue to 1/6/05 (additional notice required)
Case 13365 (Nadel and Gussman):	Continue to 1/6/05 (additional notice required)
Case 13389 (Nadel and Gussman):	Continue to 1/6/05
Case 13379 (Chi Energy):	Continue to 1/6/05 (additional notice required)
Case 13380 (Chi Energy):	Continue to 1/6/05 (additional notice required)
Case 13381 (Chi Energy):	Continue to 1/6/05 (additional notice required)
Case 13376 (COG Operating):	Continue to 1/6/05

WVJ 12/15/04

Thank you.

Very truly yours,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in dark ink and is positioned above the printed name.

James Bruce

Attorney for Applicants