

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 17, 2005

**8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico**

Docket Nos. 07-05 and 08-05 are tentatively set for March 3, 2005 and March 17, 2005. Applications for hearing must be filed at least 23 days in advance of hearing date. OCD Rule 1208.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Friday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Friday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

CASE 13407: *Continued from February 3, 2005, Examiner Hearing.*

Application of COG Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Morrow formation underlying the W/2 of Section 4, Township 19 South, Range 32 East, to form a standard 320-acre spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, which presently includes but is not necessarily limited to the undesignated Lusk North Morrow Gas Pool. This unit is to be dedicated to the Valhalla "4" Federal Com No. 1 Well, to be drilled at a standard location in NW/4 NW/4 (Unit D) of said Section 4 to test the Morrow formation at a depth of approximately 13,100 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 applicant as operator of the well and, pursuant to NMRA 19.15.1.35, the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located approximately 11 miles south of Maljamar.

CASE 13404: *Continued from February 3, 2005, Examiner Hearing.*

Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Faron State Exploratory Unit from the surface to the top of the Mississippian formation in an area comprising 6400.00 acres of State of New Mexico lands in Sections 3, 4, 5, 6, 8, 9, 10, 16, and 17, Township 9 South, Range 32 East, which is located approximately 10 miles northeast of Caprock, New Mexico.

CASE 13414: ***Application of Yates Petroleum Corporation for approval of a Unit Agreement, Chaves County, New Mexico.*** Applicant seeks approval of the Brick State Exploratory Unit for all formations from the surface to the base of the Siluro-Devonian formation in an area comprising 2,520 acres, more or less, of State of New Mexico lands in Sections 8, 9, 10, 16 and 20 of Township 8 South, Range 27 East, which is located approximately 17 miles east of Roswell, New Mexico.

CASE 13415: ***Application of Yates Petroleum Corporation for approval of a Unit Agreement, Chaves County, New Mexico.*** Applicant seeks approval of the Patsy State Exploratory Unit for all formations from the surface to the base of the Lower Mississippian formation in an area comprising 3,200 acres, more or less, of State of New Mexico lands in Section 35 of Township 11 South, Range 31 East, Sections 2, 10, 11, 14 and 15 of Township 12 South, Range 31 East, which is located approximately 20 miles north of Maljamar, New Mexico.

CASE 13405: *Continued from February 3, 2005, Examiner Hearing.*

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface through the Chester series of the Mississippian formation in the following described acreage in Section 16, Township 19 South, Range 26 East: N/2 to form 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 Four Mile Draw-Morrow Gas Pool and the Undesignated West Four Mile-Strawn Gas Pool; NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and SE/4 NE/4 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 Clayton "BFO" State Com Well No. 2 to be drilled 1980 feet from the North line and 660 feet from the East line of said Section 16 to an approximate depth of 9,800 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 Yates Petroleum Corporation as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles south of Artesia, New Mexico.