

1. **Ricky Well No. 1** (API No. 30-045-25976) located 790 feet from the north line and 875 feet from the West line (Unit D);
2. **Ricky Well No. 1R** (API No. 30-045-31165) located 765 feet from the North line and 830 feet from the West line (Unit D);
3. **Ricky Well No. 2** (API No. 30-045-25977) located 1850 feet from the South line and 790 feet from the West line (Unit L); and
4. **Ricky Well No. 2R** (API No. 30-045-31166) located 1845 feet from the South line and 745 feet from the West line (Unit L).

Said spacing unit is located approximately 30 miles southeast of Farmington, New Mexico.

**CASE 13566:** *Continued from November 3, 2005, Examiner Hearing*

**Application of Unit Petroleum Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the E/2 of Section 1, Township 18 South, Range 26 East, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320 acre spacing within that vertical extent, including the Atoka-Pennsylvanian Gas Pool; and the SE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Monte Carlo Fed. Com. Well No. 1, to be drilled from a surface location in the SE/4 NE/4 of Section 1 to a bottomhole location approximately 1845 feet from the north line and 1487 feet from the east line of Section 1. 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 6 miles east-northeast of Atoka, New Mexico.

**CASE 13594:** *Application of Kaiser-Francis Oil Company To Amend Administrative Order NSL-5133 To Establish A Non-Standard Spacing and Proration Unit and for an Exception to Rule 104(B)(1).* Applicant seeks the amendment of Administrative Order NSL-5133 to establish an 80-acre nonstandard spacing and proration unit consisting of the SW/4 NW/4 and NW/4 SW/4 of Section 11, T-22-S, R-26-E and for an exception to Rule 104(B)(1) for the completion of its Mesa Grande "11" Well No. 2 in the Bone Spring and Delaware formations drilled at an unorthodox oil well location 2661' FSL and 660' FWL (Unit L) of Section 11. The subject lands and well are located approximately 1/2 mile southwest of Carlsbad, New Mexico.

**CASE 13578:** *Continued from October 20, 2005, Examiner Hearing*

**Application of Lynx Petroleum Consultants, Inc. for compulsory pooling, Lea County, New Mexico.** Lynx Petroleum Consultants, Inc. seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NE/4 NE/4 of Section 8, Township 18 South, Range 32 East, to form a standard 40 acre oil spacing proration unit for formations and/or pools developed on 40 acre spacing within the vertical extent. Applicant Lynx Petroleum Consultants, Inc. proposes to re-enter the plugged and abandoned Amoco Production Company Federal 'DM' No. 1 located on the identified property. Applicant proposes to re-enter the referenced well located 760 feet from the North line and 960 feet from the East line to a depth sufficient to test the Wolfcamp and Bone Springs formations. Also to be considered will be cost of re-entering and completing the well and the allocation of the cost among the well's working interest owners, as well as actual operating costs and charges for supervision, together with a provision adjusting the rates pursuant to COPAS accounting procedure, designation of Lynx Petroleum Consultants, Inc. as operator of the well and a 200% charge for the risk involved in re-entering and completing the well.

**CASE 13531:** *Continued from November 3, 2005, Examiner Hearing*

**Application of Yates Petroleum Corporation for an Order (1) directing Pride Energy Company to reimburse Yates for the well costs incurred by Yates in its attempt to re-enter the State "X" Well No. 1 (API No. 30-025-01838) located in Section 12, Township 12 South, Range 34 East, NMPM, prior to the time Pride Energy Company assumed operations of the well, (2) directing Pride Energy Company to account for and pay all sums it is now improperly holding pursuant to expired orders of the Division and Commission, and (3) requiring Pride Energy Company to plug and abandon the State "X" Well No. 1, Lea County, New Mexico.** Applicant seeks (1) an order directing Pride Energy Company ("Pride") to reimburse Yates for the costs Yates incurred in its re-entry operations on the State "X" Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, prior to the time Pride assumed operations of the well, (2) an order directing Pride to account to and refund to Yates all of the portion of the estimated share of well costs for the State "X" Well now

improperly held by Pride pursuant to expired orders of the Division and Commission, and (3) an order directing Pride to plug and abandon the State "X" Well. Said well and spacing unit are located approximately 12 miles west northwest of Tatum, New Mexico.

**CASE 13548:** Continued from October 6, 2005 Examiner Hearing

**Application of the New Mexico Oil Conservation Division for an Order Requiring UHC New Mexico Corporation to Properly Plug 186 Wells, Authorizing the Division to Plug Said Well(s) in Default of Compliance by Operator, and Ordering a forfeiture of Applicable Security, Chaves, Eddy and Roosevelt Counties, New Mexico.** The Applicant seeks an order requiring UHC New Mexico Corporation, the operator of 186 inactive wells in Chaves, Eddy and Roosevelt Counties, New Mexico, to properly plug and abandon the same, and, if Operator fails to do so, authorizing the Division to plug said wells and forfeiting Operator's plugging security.

**CASE 13523:** Continued from October 6, 2005 Examiner Hearing

**Application of the New Mexico Oil Conservation Division for an Order Requiring Spence Energy Company to Properly Plug One Well, Authorizing the Division to Plug Said Well(s) in Default of Compliance by Operator, and Ordering a Forfeiture of Applicable Security, if Any, Lea County, New Mexico.** The Applicant seeks an order requiring Spence Energy Company, the operator of one inactive well(s) in Lea County, New Mexico, to properly plug and abandon the same, authorizing the Division to plug said well or wells if the operator fails to do so, forfeiting Operator's plugging security. The affected wells are the following:

**30-25-29969 - Kellahin "14" State Well No. 1 - 4-9S-32E - 330' FSL & 700' FEL**

**CASE 13577:** Continued from November 3, 2005, Examiner Hearing

**Application of the New Mexico Oil Conservation Division for a Compliance Order Against Kevin O. Butler and Associates, Inc.** The Division seeks an order requiring operator Kevin O. Butler and Associates, Inc. to perform the work specified in the remediation plan submitted by them and approved by the Oil Conservation Division on January 21, 2005; to perform remediation clean up work for its violations subsequent to March 25, 2004; to terminate Kevin O. Butler & Assoc. Inc.'s operational authority for the South Caprock Queen well #12, API# 30-005-01180, located in Unit Letter L, Section 33, Township 14 South, Range 31 East, in Chaves County, New Mexico; for a Ten Thousand Dollar (\$10,000.00) civil penalty for knowingly and willfully violating Rule 116 [19.15.3.116 NMAC]; and for such other relief as the Director deems appropriate. The affected site is the South Caprock Queen well #12, API# 30-005-01180, located in Unit Letter L, Section 33, Township 14 South, Range 31 East, in Chaves County, New Mexico.

**CASE 13595:** In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Eddy County, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for San Andres production and designated as the High Lonesome-Grayburg-San Andres Pool (**Pool Code 97479**). The discovery well is the Mack Energy Corporation Dove State Well No. 1 (**API No. 30-015-34157**) located in Unit J of Section 16, Township 16 South, Range 28 East, NMPM. Said pool would comprise:

**TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM**  
Section 16: SE/4

(b) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Morrow production and designated as the White City-Morrow Gas Pool (**Pool Code 97480**). The discovery well is the Cabal Energy Corporation High Hog "9" Federal Well No. 1 (**API No. 30-015-33462**) located in Unit C of Section 9, Township 25 South, Range 25 East, NMPM. Said pool would comprise:

**TOWNSHIP 25 SOUTH, RANGE 25 EAST, NMPM**  
Section 9: W/2

(c) EXTEND the Southwest Black River-Morrow Gas Pool (**Pool Code 97255**) in Eddy County, New Mexico to include:

**TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM**  
Section 25: All