

CASE 13110: Continued from July 24, 2003, Examiner Hearing

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 4, Township 19 South, Range 31 East as follows: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Shugart-Morrow Gas Pool, and the Undesignated Gatuna Canyon-Atoka Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; and the S/2 SW/4 for all formations and/or pools developed on 80-acre spacing. Said units are to be dedicated to its Red Cloud "4" Federal Com Well No. 1 to be drilled at a standard location 810 feet from the South line and 660 feet from the West line of said Section 4 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 Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 10 miles southeast of Loco Hills, New Mexico.

CASE 13111: Continued from July 24, 2003, Examiner Hearing.

Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 5, Township 19 South, Range 31 East as follows: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Shugart-Morrow Gas Pool, and the Undesignated Gatuna Canyon-Atoka Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing; the S/2 NE/4 for all formations and/or pools developed on 80-acre spacing, and the SE/4 NE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool. Said units are to be dedicated to its Red Cloud "5" Federal Com Well No. 1 to be drilled at a standard location 1980 feet from the North line and 660 feet from the East line of said Section 5 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 Nearburg Producing Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 10.5 miles southeast of Loco Hills, New Mexico.

CASE 13122: Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico. Applicant seeks approval of the Kris State Exploratory Unit for an area comprising 3200.00 acres of State of New Mexico lands in Sections 27, 28, 29, 33, and 34, Township 11 South, Range 34 East, which is located approximately 8 miles North of Tatum, New Mexico.

CASE 13123: Application of Yates Petroleum Corporation for Compulsory Pooling and an Unorthodox Oil Well Location, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pre-Cambrian formation in the following described spacing and proration units located in the W/2 of Section 6, Township 10 South, Range 25 East: the W/2 for all formations and/or pools developed on 320-acre spacing; the NW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Pecos Slope-Abo Gas Pool; and the NE/4 NW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Delhagen "BAJ" Com Well No. 1 to be drilled at a standard gas well location 990 feet from the North line and 1330 feet from the West line (Unit C) of said Section 6. This location will be unorthodox for any formation and/or pool developed on 40-acre oil spacing. 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 charge for risk involved in drilling said well. Said area is located approximately 5 miles east-northeast of Roswell, New Mexico.