

CASE 13103: Continued from October 9, 2003, Examiner Hearing.

Amended Application of V-F Petroleum Inc. for Compulsory Pooling and an Unorthodox Surface Location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing from a depth of 3,500 feet (the approximate base of the San Andres formation) to the base of the Morrow formation (approximate depth of 11,152 feet) underlying the N/2 of Section 34, Township 18 South, Range 28 East, forming a standard gas spacing and proration unit for any and all formations and/or pools spaced on 320 acres within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Turkey Track-Morrow Gas Pool. Said pooled unit is to be dedicated to its Samuel Burns "34" State Well No. 3 located at an unorthodox surface location 450 feet from the North line and 2,100 feet from the East line (Unit B) of said Section 34 that applicant proposes to re-enter and directionally drill to a standard location in the Morrow formation in the NW/4 NE/4 of the section. 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 14 miles southeast of Artesia, New Mexico.

CASE 13163: Continued from October 9, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Saba Energy of Texas, Inc., to Properly Plug Six Wells, Imposing Civil Penalties in Event of Failure to Comply, Authorizing the Division to Plug Said Wells 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 Saba Energy of Texas, Inc., the operator of six inactive wells in Lea County, New Mexico, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said well or wells if the operator fails to do so, forfeiting Operator's plugging security, if any, and providing for such other relief as the Director deems appropriate. The affected wells are the following:

Harton State #1	API # 30-025-28540	UL H, Section 7, T13S, R36E
Morris #1	API # 30-025-29247	UL D, Section 8, T13S, R36E
Fern Guye #1	API #30-025-34488	UL M, Section 5, T13S, R36E
Saba State #1	API #30-025-33726	UL I, Section 7, T13S, R36E
San Simon 5 State #1	API #30-025-27564	UL E, Section 5, T22S, R35E
San Simon 5 State #2	API #30-025-28480	UL G, Section 5, T22S, R35E

CASE 13183: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Lea and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the Northeast Caprock-Atoka Gas Pool (Pool Code 97292). The discovery well is the Paladin Energy Corporation State EC C Well No. 1 (API No. 30-025-00104) located in Unit G of Section 11, Township 12 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM

Section 11: N/2

(b) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the Dempster Mill-Atoka Gas Pool (Pool Code 97299). The discovery well is the Yates Petroleum Corporation Ray BBR State Well No. 1 (API No. 30-025-02674) located in Unit P of Section 25, Township 11 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM

Section 25: E/2

(c) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Mississippian production and designated as the Dempster Mill-Mississippian Gas Pool (Pool Code 97291). The discovery well is the Yates Petroleum Corporation Dempster State Unit Well No. 1 (API No. 30-025-36077) located in Unit N of Section 30, Township 11 South, Range 36 East, NMPM. Said pool would comprise: