

CASE 12034: Continued from September 3, 1998, Examiner Hearing.

Application of Matador Petroleum Corporation for approval of an unorthodox gas well location and to amend Order No. R-10872-B to approve a standard 600.01-acre gas spacing and proration unit, Eddy County New Mexico. Applicant seeks to amend Order No. R-10872-B to create a standard 600.01-acre gas spacing and proration unit consisting of Lots 11 through 14, 25 through 32 and SW/4 (south two-thirds equivalent) of Irregular Section 1, Township 21 South, Range 25 East. In addition, applicant seeks authority for the drilling of an "infill well" to a depth sufficient to test the Morrow formation at an unorthodox gas well location 2080 feet from the South line and 750 feet from the West line of Irregular Section 1 and for approval of this unorthodox location for any and all gas producing formations from the top of the Wolfcamp to the base of the Morrow, including but not limited to the Catclaw Draw-Morrow Gas Pool. In the event this well is productive from the Morrow formation, then it will be dedicated to this standard 600.01-acre gas proration and spacing unit. Said unit is located approximately 9 miles northwest of Carlsbad, New Mexico.

CASE 12008: Continued from September 3, 1998, Examiner Hearing.

Application of Robert E. Landreth for a determination of reasonable well costs, Lea County, New Mexico Applicant, as a mineral interest owner in the standard 320-acre gas spacing and proration unit comprising the S/2 of Section 29, Township 22 South, Range 34 East, seeks an order ascertaining the reasonableness of actual well costs for: (i) the Santa Fe Energy Resources, Inc. Gaucho Unit Well No. 2-Y (API No. 30-025-34026), located 1650 feet from the South line and 1725 feet from the West line (Unit K) of Section 29; and (ii) the plugged and abandoned Gaucho Unit Well No. 2 (API No. 30-025-33682), located 1650 feet from the South and West lines (Unit K) of Section 29. This 320-acre unit was the subject of compulsory pooling Order No. R-10764, dated February 14, 1997. This area is located approximately 20 miles west by south of Eunice, New Mexico.

CASE 12039: Continued from September 3, 1998, Examiner Hearing.

Application of Oil Conservation Division for an order requiring Harlow Corporation and/or Willow Pipeline Company to plug fifteen (15) wells in Chaves County, New Mexico. In the matter of the hearing called by the Oil Conservation Division to permit the operator, Harlow Corporation and/or Willow Pipeline Company, and all other interested parties to appear and show cause why fifteen (15) wells located in Townships 8 South, Ranges 28 and 29 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program. Further, should the operator fail to properly plug said wells, the Division seeks an order (i) requiring operator to properly plug wells in Chaves County; (ii) authorizing the Division to plug these wells; (iii) ordering a forfeiture of the plugging bonds, and (iv) assessing fines for failure to comply with the order. These wells are located approximately 20 miles east-northeast of the Bitter Lake National Wildlife Refuge.

CASE 11946: Continued from September 3, 1998 Examiner Hearing.

Application of Oil Conservation Division for an order requiring McKay Oil Corporation to properly plug eleven (11) wells, Chaves County, New Mexico. Applicant seeks an order requiring McKay Oil Corporation to properly plug the below-listed eleven (11) wells in Chaves County, New Mexico, authorizing the Division to plug said wells, and ordering a forfeiture of the plugging bond, if any. Said wells are located in an area approximately 30 miles north of Roswell, New Mexico.

West Fork Unit# 1, Section 32, Township 4 South, Range 22 East, Unit C
Bonnie# 1, Section 30, Township 5 South, Range 22 East, Unit O
Wolf State# 1, Section 16, Township 6 South, Range 23 East, Unit J
Pipeline Com.# 2, Section 26, Township 6 South, Range 22 East, Unit K
Macho State# 1, Section 32, Township 6 South, Range 23 East, Unit G
Desert Rose# 1, Section 12, Township 6 South, Range 22 East, Unit M
Inexico# 2, Section 32, Township 5 South, Range 22 East, Unit J
Inexico# 5, Section 33, Township 5 South, Range 22 East, Unit K
Inexico# 7, Section 33, Township 5 South, Range 22 East, Unit J
Camp State# 1, Section 25, Township 5 South, Range 22 East, Unit J
Aikman# 1, Section 36, Township 5 South, Range 26 East, Unit P 1

CASE 12058: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

- (a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Antelope Sink-Atoka Gas Pool. The discovery well is the Penwell Energy, Inc. Southern Cross "16" State Well No. 1 located in Unit L of Section 16, Township 18 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 24 EAST, NMPM
Section 16: W/2

Examiner Hearing - October 8, 1998

Docket No. 28-98

Page -4-

- (b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Yeso production and designated as the Cedar Lake-Yeso Pool. The discovery well is the Marbob Energy Corporation Cedar Lake Federal Well No. 1 located in Unit K of Section 18, Township 17 South, Range 31 East, NMPM. Said pool would comprise;

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 18: SW/4

- (c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Henshaw-Morrow Gas Pool. The discovery well is the Beach Exploration, Inc. Henshaw Deep Unit Well No. 9 located in Unit C of Section 23, Township 16 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 30 EAST, NMPM

Section 23: W/2

- (d) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for Devonian production and designated as the Southeast Race Track-Devonian Pool. The discovery well is the Marbob Energy Corporation Rio Bravo Fee Well No. 1 located in Unit B of Section 30, Township 10 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 28 EAST, NMPM

Section 30: NE/4

- (e) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Spring production and designated as the Sand Tank-Bone Spring Pool. The discovery well is the Enron Oil & Gas Company Duggan "12" Federal Com Well No. 1 located in Unit H of Section 12, Township 18 South, Range 29 East, NMPM. Said pool would comprise;

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 12: NE/4

- (f) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Upper Pennsylvanian production and designated as the West Winchester-Upper Pennsylvanian Pool. The discovery well is the Marathon Oil Company Lightfoot "20" State Well No. 1 located in Unit M of Section 20, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 20: SW/4

- (g) EXTEND the Avalon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 22: W/2

- (h) EXTEND the Avalon-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 15: N/2

Section 21: E/2

- (i) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 18: E/2

- (j) EXTEND the Crow Flats-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM

Section 31: SE/4

Section 32: S/2

- (k) EXTEND the East Empire-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 29: S/2