Examiner Hearing - December 17, 1998 Docket No. 34-98 Page 3 of 4

CASE 12104:

Application of Harvard Petroleum Corporation for compulsory pooling, Roosevelt County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the San Andres formation underlying the following described acreage in Section 5, Township 5 South, Range 37 East, and in the following manner: Lots 3 and 4, the S/2 NW/4, and the SW/4 (W/2 equivalent) thereby forming a standard 319.09-acre gas spacing and proration unit for any and all pools developed on 320-acre spacing within said vertical extent which presently includes only the Bluitt-San Andres Associated Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent; the E/2 SW/4 to form a standard 80-acre oil spacing and proration unit for any and all pools developed on 80-acre spacing within said vertical extent which presently includes only the Bluitt-San Andres Associated Pool; and, the SE/4 SW/4 (Unit N) to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical extent. All four of these units are to be dedicated to the applicant's proposed Williams Well No. 1 to be drilled 990 feet from the South line and 1650 feet from the West line (Unit N) of Section 5 being a standard well location for the proposed 319.09, 160, and 40-acre spacing and proration units but an unorthodox oil well location for the proposed 80-acre oil spacing and proration unit. 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 the operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately one mile north by east of Bluitt, New Mexico.

CASE 12037:

(Reopened and Readvertised)

Application of Yates Petroleum Corporation for a special pool rules, or in the alternative, for simultaneous dedication, Lea County, New Mexico. Applicant seeks the promulgation of special rules and regulations for the North Shoe Bar-Atoka Gas Pool, which comprises portions of Sections 10 and 11, Township 16 South, Range 35 East, including provisions authorizing a second gas well on each 320-acre spacing unit in this pool. IN THE ALTERNATIVE, the applicant seeks an exception to Division General Rule 104.D(3) to continuously and concurrently produce gas from the Atoka interval from its: (i) Brunson "AQK" State Com. Well No. 1 (API No. 30-025-33931), located at a standard gas well location 2260 feet from the North line and 1795 feet from the East line (Unit G) of Section 10; and (ii) Big Flat "ASN" State Com. Well No. 1 (API No. 30-025-34354), located at a standard gas well location 1650 feet from the South line and 1980 feet from the East line (Unit J) of Section 10 and for the simultaneous dedication of both wells to the existing 320-acre gas spacing and proration unit comprising the E/2 of Section 10. This unit is located approximately five miles west of Lovington, New Mexico.

CASE 12105:

This Case will be Continued to January 7, 1999.

Application of Texaco Exploration and Production Inc. for compulsory pooling, an unorthodox gas well location and non-standard proration units, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Wolfcamp formation to the base of the Morrow formation underlying the following described acreage in irregular Section 1, Township 21 South, Range 25 East, as follows: all or irregular Section 1 forming a 853.62-acre non-standard gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent or, in the alternative, Lots 11 through 14 and 17 through 28 to form a 555.74 acre non-standard gas spacing and proration unit for any and all formations and/or pools developed on 640-acre spacing within said vertical extent, which is currently limited to the Catclaw Draw-Morrow Gas Pool and, Lots 11 through 14 and Lots 19 through 22 to form a 288.19 acre non-standard spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical extent. Said units are to be dedicated to the proposed Rocky Arroyo Federal Com Well No. 1 which is proposed at an unorthodox location 3200 feet from the North line and 660 feet from the West line of Section 1. 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 the operator of the well and a charge for risk involved in drilling the well. The area is located approximately 1 3/4 miles east of the Junction of State Highway 137 and U.S. Highway 285, New Mexico.

CASE 12106:

In the matter of the hearing called by the Oil Conservation Division for an order contracting and extending certain existing pools in Lea County, New Mexico.

(a) CONTRACT the Weir-Blinebry Pool in Lea County, New Mexico, by the deletion of the following described acreage:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 11: SW/4

Section 14: NE/4 and E/2 NW/4

(b) EXTEND the East Weir-Blinebry Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 11: SW/4

Section 14: NE/4 and E/2 NW/4

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

Examiner Hearing - December 17, 1998 Docket No. 34-98 Page 4 of 4

CASE 12107:

In the matter of the hearing of the Oil Conservation Division for an order contracting and extending certain existing pools in Eddy County, New Mexico.

(a) CONTRACT the Catclaw Draw-Morrow Gas Pool in Eddy County, New Mexico, by the deletion of the following described acreage:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Sections 17 and 18: All

Section 20: All Section 30: All

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

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Sections 17 and 18: All

Section 20: All

Section 29: W/2

Section 30: All

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.