Examiner Hearing – August 19, 2004 Docket No. 23-04 Page 3 of 5

CASE 13316: Continued from August 5, 2004, Examiner Hearing

Application of Murchison Oil & Gas, Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 19, Township 17 South, Range 27 East, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Logan Draw-Cisco Canyon Gas Pool, Undesignated Hart Draw-Atoka Gas Pool, and Undesignated Logan Draw-Morrow Gas Pool; the NW/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the SE/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Logan Draw-San Andres Pool. The units are to be dedicated to the Haines Well No. 1, to be drilled at an orthodox well location in the SE/4 NW/4 of Section 19. 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 units are located approximately 5 miles east-southeast of Artesia, New Mexico.

CASE 13317: Continued from August 5, 2004, Examiner Hearing

Application of Murchison Oil & Gas, Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 2, Township 17 South, Range 28 East, and in the following manner: Lots 3, 4, S/2 NW/4, and the SW/4 (the W/2 equivalent) to form a standard 318.48-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated North Empire-Atoka Gas Pool and Undesignated Southeast Crow Flats-Morrow Gas Pool; Lots 3, 4, and the S/2 NW/4 (the NW/4 equivalent) to form a standard 158.48-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and Lot 4 to form a standard 39.26-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the Panda Bear State Com. Well No. 1, to be drilled at an orthodox gas well location in Lot 4 of Section 2. 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 units are located approximately 14½ miles east-northeast of Artesia, New Mexico.

CASE 13307: Readvertised

Application of NM&O Operating Company for Compulsory Pooling, Rio Arriba County, New Mexico. Applicant seeks an order pooling all mineral interests underlying Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 1, Township 24 North, Range 2 West, to form a standard 325.06-acre gas spacing and proration unit in the Blanco-Mesaverde Gas Pool. The unit is to be dedicated to the Invader Federal Well No. 1, located in Lot 4 (Unit D) of Section 1. Also to be considered will be the cost of drilling or re-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 or re-completing the well. The well unit is located approximately 2 miles north-northwest of Lindrith, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 13308: Continued from July 22, 2004, Examiner Hearing

Application of Samson Resources Company to abolish the Special Rules and Regulations for the Teas-Pennsylvanian Gas Pool, Lea County, New Mexico. Applicant seeks an order abolishing the Special Rules and Regulations for the Teas-Pennsylvanian Gas Pool, and making the division's statewide spacing and well location rules applicable to the pool. The pool covers all or portions of Sections 11, 12, and 14, Township 20 South, Range 33 East. The pool is centered approximately 6 miles east-northeast of the intersection of State Highway 176 and U.S. Highway 62/180.

<u>CASE 13327:</u> Application of XTO Energy Inc. to amend Division Order No. R-11132-B for Simultaneous Dedication and an Unorthodox Gas Well Location, San Juan County, New Mexico. Applicant seeks an order amending Division Order No. R-11132-B to allow the SE/4 of Section 2, Township 31 North, Range 14 West, to be simultaneously dedicated in the Ute Dome-Dakota Gas Pool to its Ute Indians "A" Well Nos. 27 and 32. Applicant also seeks approval of an unorthodox gas well location in the Ute Dome-Dakota Gas Pool for the Ute Indians "A" Well No. 27, located 2600 feet from the North line and 1000 feet from the East line of Section 2. The unit is located approximately 5 miles west of La Plata, New Mexico.