

CASE 13317: *Continued from September 2, 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 13320: *Continued from September 2, 2004, Examiner Hearing*

Application of Platinum Exploration, Inc. for Approval of a Salt Water Disposal Well, Lea County, New Mexico.

Applicant seeks approval to utilize its Whitten Well No. 1 SWD (API No. 30-025-27856) located 990 feet from the North line and 1,680 feet from the West line, Unit C, Section 35, Township 16 South, Range 38 East, to dispose of produced water into the Devonian formation through an open hole interval from 12,550 feet to 13,000 feet. This well is located 14 miles east of the town of Lovington, New Mexico.

CASE 13344: *Application of Burlington Resources Oil & Gas Company, L.P. for an Unorthodox Infill Gas Well Location, Rio Arriba County, New Mexico.*

Applicant seeks to drill its proposed San Juan "27-4" Unit Com. Well No. 34-N (API No. 30-039-26903) at an unorthodox infill gas well in both the Blanco-Mesaverde (72319) and Basin-Dakota (71599) Pools 370 feet from the South line and 20 feet from the East line (Unit P) of Section 34, Township 27 North, Range 4 West, which is located approximately 26 miles north of the junction of U. S. Highway 550 and New Mexico State Road No. 537. Gas production from the Blanco-Mesaverde Pool is to be included within an existing standard 320-acre stand-up gas spacing and proration unit ("GPU") comprising the E/2 of Section 34, which is currently dedicated to Burlington Resources Oil & Gas Company, L.P.'s ("Burlington") two: (i) San Juan "27-4" Unit Com. Well No. 34 (API No. 30-039-06796), located at a standard gas well location 1180 feet from the South line and 1700 feet from the East line (Unit O) of Section 34; and (ii) San Juan "27-4" Unit Com. Well No. 137 (API No. 30-039-22376), located at a standard infill gas well location 800 feet from the North line and 1120 feet from the East line (Unit A) of Section 34. Gas production from the Basin-Dakota Pool is to be included within an existing standard 320-acre stand-up GPU that also comprises the E/2 of Section 34 that is currently dedicated to Burlington's above-described San Juan "27-4" Unit Com. Well No. 34.

CASE 13229: *Reopened - Continued from August 19, 2004, Examiner Hearing*

Application of Yates Petroleum Corporation for an Unorthodox Gas Well Location, an Exception to Division Rule 104.C (2) (b), and a Retroactive Approval Date for any order Issued in this case, Chaves County, New Mexico.

Applicant seeks an exception to Division Rule 104.C (2) for an unorthodox deep gas well location in the Wolfcamp formation and in the Palma Mesa-Pennsylvanian Gas Pool (82550) for Yates Petroleum Corporation's existing Hanlad "AKZ" State Well No. 2 (API No. 30-005-62911), located 330 feet from the South line and 1225 feet from the West line (Unit M) of Section 13, Township 8 South, Range 27 East [which well was the subject of Division Order No. R-9721, issued in Case No. 10489 on June 11, 1992, approving this well as an unorthodox gas well location in the Palma Mesa Siluro-Ordovician Gas Pool (82550) within a standard 320-acre deep gas spacing unit comprising the S/2 of Section 13], this well to be dedicated to the S/2 of Section 13 being a standard 320-acre lay-down deep gas spacing unit for both zones. This well is located approximately eight miles southwest of Elkins, New Mexico. **APPLICANT FURTHER SEEKS** an exception to Division Rule 104.C (2) (b) in order to recomplete the Hanlad "AKZ" State Well No. 2 as an infill Pennsylvanian gas well within the same quarter section (SW/4 of Section 13) as an existing well producing from the Palma Mesa-Pennsylvanian Gas Pool. The S/2 of Section 13, being a standard 320-acre lay-down deep gas spacing unit in the Palma Mesa-Pennsylvanian Gas Pool is currently dedicated to the applicant's Hanlad "AKZ" State Well No. 1 (API No. 30-005-61493), located at a standard deep gas well location 660 feet from the South and West lines (Unit M) of Section 13. **FURTHERMORE**, applicant seeks an effective date for any order issued in this case is made retroactive to October 15, 2003.