

CASE 13416: *Continued from March 17, 2005, Examiner Hearing*

Application of Nadel & Gussman Permian, LLC 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 in the following described acreage in Section 12, Township 17 South, Range 28 East: the S/2 to form a standard 320-acre spacing and proration unit for all formations developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated South Empire-Morrow Gas Pool; and the SW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Vandagriff Keyes-Queen Gas Pool. Said units are to be dedicated to applicant's Carrington State Well No. 1 to be drilled 1650 feet from the South line and 1500 feet from the West line of said Section 12 to an approximate depth of 10,600 feet. 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 Nadel and Gussman Permian, LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles east of Artesia, New Mexico.

CASE 13461: *Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.*

Applicant seeks an order pooling all mineral interests from the surface through the base of the Morrow formation in the following described acreage in Section 6, Township 19 South, Range 25 East: the E/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing unit within that vertical extent which includes but is not necessarily limited to the Penasco Draw-Permo Pennsylvanian Gas Pool, Penasco Draw-Morrow Gas Pool, and the Penasco Draw-San Andres-Yeso Associated Pool; the SE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated North Dagger-Draw Upper Pennsylvanian Pool; and the SW/4 SE/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Penasco Draw-San Andres-Yeso Associated Pool. Said units are to be dedicated to its Rushing NJ Deep Com Well No. 3 to be drilled 1030 feet from the South line and 1650 feet from the East line (Unit O) of said Section 6 to an approximate depth of 12,000 feet. 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 Yates Petroleum Corporation as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 10 miles northwest of Lakewood, New Mexico.

CASE 13462: *Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico.*

Applicant seeks an order pooling all mineral interests from the surface to the base of the lower Mississippian Lime formation under the following acreage in Section 29, Township 9 South, Range 35 East: the S/2 to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent; the SW/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent, which presently includes but is not necessarily limited to the Undesignated Jenkins-Atoka Gas Pool and the Undesignated Jenkins-Cisco Pool; and the NW/4 SW/4 (Unit L) to form a standard 40-acre spacing and proration unit for all formations or pools spaced on 40 acres within this vertical extent, which presently includes but is not necessarily limited to the Undesignated Jenkins Devonian Pool and the Undesignated Jenkins-San Andres Pool. These spacing and proration units are to be dedicated to the Gill BGJ No.1 Well located 1650 feet from the South line and 660 feet from the West line of Section 29 which Yates proposes to drill at a standard location in the lower Mississippian Lime formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, the 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 5 miles east of Crossroads, New Mexico.

CASE 13463: *Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico.*

Applicant seeks an order pooling all mineral interests from the surface to the base of the lower Mississippian Lime formation under the following acreage in Section 30, Township 9 South, Range 35 East: the S/2 to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent; the SE/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent, which presently includes but is not necessarily limited to the Undesignated Jenkins-Atoka Gas Pool and the Undesignated Jenkins-Cisco Pool; and the NW/4 SE/4 (Unit J) to form a standard 40-acre spacing and proration unit for all formations or pools spaced on 40 acres within this vertical extent, which presently includes but is not necessarily limited to the Undesignated Jenkins Devonian Pool and the Undesignated Jenkins-San Andres Pool. These spacing and proration units are to be dedicated to the Vince BGH No.1 Well located 1650 feet from the South line and 1840 feet from the East line of Section 30 which Yates proposes to drill as a wildcat well at a standard location in the lower Mississippian Lime formation. Also to be considered will be the cost of drilling and completing said well and the

allocation of the cost thereof, the 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 5 miles east of Crossroads, New Mexico.

CASE 13408: Continued from March 3, 2005, Examiner Hearing

Application of Latigo Petroleum, Inc. for an exception to Division Rule 104.D(3), Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.D(3) in order to simultaneously dedicate production from the Bough-San Andres Gas Pool (Pool Code 72680) within an existing standard 160-acre gas spacing unit comprising the SW/4 of Section 13, Township 9 South, Range 35 East, from the following two wells: (i) the Federal A 13 Well No. 2 (API No. 30-025-02651), located at an orthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 13; and (ii) the Federal A Well No. 5, located at an orthodox gas well location 810 feet from the South line and 1980 feet from the West line (Unit N) of Section 13. The unit is located approximately 3 miles northwest of Crossroads, New Mexico.

CASE 13464: Application of Latigo Petroleum, 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 Lots 1, 2, NE/4, and E/2 NW/4 of Section 19, Township 25 South, Range 27 East, to form a standard 318.89-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Cottonwood Draw-Strawn Gas Pool and Undesignated Cottonwood Draw-Morrow Gas Pool. The unit is to be dedicated to the Marine "19" Federal Well No. 1, to be located at an orthodox gas well location in the SW/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 unit is located approximately 6 miles south-southeast of Black River Village, New Mexico.

CASE 13465: Application of JTD Resources, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying the following described acreage in Section 11, Township 25 South, Range 28 East, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Salt Draw-Atoka Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the NW/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Southwest Willow Lake-Delaware Pool and Undesignated North San Lorenzo-Bone Spring Pool. The units are to be dedicated to the Salt Draw "11" Federal Well No. 1, to be located at an orthodox well location in the NW/4 SW/4 of Section 11. 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 Nearburg Producing Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 5-1/2 miles south-southeast of Malaga, New Mexico.

CASE 13466: Application of JTD Resources, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Abo formation underlying the SE/4 NE/4 of Section 35, Township 19 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Nadine-San Andres Pool, Undesignated House-Blinebry Pool, Undesignated North House-Tubb Pool, Undesignated House (Drinkard) Pool, and Undesignated House-Abo Pool. The unit is to be dedicated to the Round-Up Well No. 1, to be located at an orthodox oil well location. 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 Capataz Operating, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 1 mile east-southeast of Nadine, New Mexico.