

CASE NO. 13698: *Application of Yates Petroleum Corporation for approval of a Unit Agreement, Eddy County, New Mexico.* Applicant seeks approval of the Manchester State Exploratory Unit from the surface to the base of the Morrow formation in an area comprising 2,240 acres of State of New Mexico lands in Sections 20, 29, 31, and 32 in Township 19 South, Range 23 East, NMPM, which is located approximately 20 miles west of Lakewood, New Mexico.

CASE NO. 13685: *Continued from April 13, 2006, Examiner Hearing*

Application of Magnum Hunter Production, Inc. for compulsory pooling, Lea 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 24 South, Range 34 East, NMPM, and in the following manner: the N/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 Antelope Ridge-Atoka Gas Pool and Antelope Ridge-Morrow Gas Pool; the NE/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 NE/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 Antelope Ridge-Wolfcamp Pool. The units are to be dedicated to the Antelope State 2 Well No. 3, to be drilled at an orthodox location in the NW/4 NE/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 Gruy Petroleum Management Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 17-1/2 miles northwest of Jal, New Mexico.

CASE NO. 13675: *Continued from March 16, 2006 Examiner Hearing*

Application of the New Mexico Oil Conservation Division for an Order Requiring Stevens Operating Corporation to Plug 7 Wells and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Chaves County, New Mexico. The Applicant seeks an order requiring Stevens Operating Corporation to plug the following wells and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
O'BRIEN C #001	30-005-10188	M-1-09S-28E
O'BRIEN C #004	30-005-60330	L-1-09S-28E
O'BRIEN C #009	30-005-62661	E-1-09S-28E
O'BRIEN DQ #001	30-005-60731	4-30-07S-29E
O'BRIEN DQ #002	30-005-61017	N-30-07S-29E
O'BRIEN EA #001	30-005-62240	F-33-07S-29E
WEST WHITE RANCH #002	30-005-10094	H-1-12S-28E

CASE NO. 13687: *Continued from April 13, 2006, Examiner Hearing*

Application of LCX Energy, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 10, Township 17 South, Range 24 East, NMPM, Eddy County, New Mexico, to form a standard 320-acre gas spacing and proration unit for any and all formations and or pools developed on 320 acres, including but not necessarily limited to the Wolfcamp formation. Said units are to be dedicated to Applicant's proposed 1724 Osbourn No. 101 Well to be drilled from a surface location 660 feet from the South line and 1880 feet from the East line to a bottom hole location 660 feet from the North line and 1880 feet from the East line of said Section 10. 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 LCX Energy, LLC or its designee as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 1.5 miles west of Artesia, New Mexico.

CASE NO. 13680: *Continued from April 13, 2006, Examiner Hearing*

Application of EOG Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in the spacing and proration unit/horizontal well Project Area comprised of the S/2 of Section 15, Township 17 South, Range 24 East, N.M.P.M., Eddy County, New Mexico for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Northeast Collins Ranch-Wolfcamp Pool. This spacing unit/horizontal well Project Area is to be dedicated to the Hudson "15" Federal Com No. 1H to be drilled from a standard gas well surface location 760 feet from the South line and 660 feet from the East line and then horizontally drilled in the Wolfcamp formation in a westerly direction to a projected bottomhole location 760 feet from the South line and 660 feet from the West line of said Section

15 at a total vertical depth of approximately 5,400 feet. The well will test all formations from the surface through the Wolfcamp formation. 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 EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles west of Artesia, New Mexico.

CASE NO. 13659: Continued from April 13, 2006, Examiner Hearing

Application of David H. Arrington Oil and 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 Wolfcamp formation underlying the E/2 of Section 17, Township 17 South, Range 24 East, NMPM, Eddy County, New Mexico, to form a standard 320-acre gas spacing and proration unit for any and all formations and or pools developed on 320-acres, including but not necessarily limited to the Wolfcamp formation, undesignated Cottonwood Creek Wolfcamp Pool. Said units are to be dedicated to Applicant's proposed Wonder Bunny 1-H Well to be drilled from a surface location 1880' from the East line and 660' from the South line to a bottom hole location 1880' from the East line and 660' from the North line of said Section 17. 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 David H. Arrington Oil and Gas, Inc. or its designee as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 10 miles west of Artesia, New Mexico.

CASE NO. 13681: Continued from April 13, 2006, Examiner Hearing

Application of EOG Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in the spacing and proration unit/horizontal well Project Area comprised of the E/2 of Section 17, Township 17 South, Range 24 East, N.M.P.M., Eddy County, New Mexico for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Collins Ranch-Wolfcamp Gas Pool. This spacing unit/horizontal well Project Area is to be dedicated to the Joliba "17" Fee Well No. 1H to be drilled from a standard gas well surface location 660 feet from the South line and 1815 feet from the East line and then horizontally drilled in the Wolfcamp formation in a northerly direction to a projected bottomhole location 660 feet from the North line and 1880 feet from the West line of said Section 15. The well will test all formations from the surface through the Wolfcamp formation. 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 EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles west of Artesia, New Mexico.

CASE NO. 13598: Continued from April 13, 2006, Examiner Hearing

Application of Hudson Oil Company of Texas, William A. Hudson and Edward R. Hudson for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation through the base of the Morrow formation in the following described acreage in Section 12, Township 17 South, Range 31 East: the N/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 Fren-Morrow Gas Pool; the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent and the NW/4 NW/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 Undesignated East Fren-Paddock Pool. Said units are to be dedicated to its Francotte Federal Well No. 1 to be drilled 660 feet from the North and West lines of said Section 12 to an approximate depth of 12,500 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 Hudson Oil Company of Texas as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles east northeast of Maljamar, New Mexico.