## Examiner Hearing – December 1, 2005 Docket No. 39-05 Page 2 of 3

CASE 13598: 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.

CASE 13593: Continued from November 17, 2005, Examiner Hearing

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from surface through the Base of the Morrow formation in the following described acreage in Section 2, Township 21 South, Range 22 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 limited to the Undesignated West Indian Basin-Morrow Gas Pool; the NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and the NE/4 NE/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to its Tuco "BHE" State Com Well No. 1 to be drilled 1100 feet from the North line and 660 feet from the East line (Unit A) of said Section 2 to an approximate depth of 9,200 feet. If the well is completed as an oil well it will be at an unorthodox location. 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 Drilling Company 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 Hopkins, Eddy County, New Mexico.

CASE 13599: Application Of Parallel Petroleum Corporation For compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in the W/2 of Section 33, Township 14 South, Range 26 East, in order to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent; and the SW/4 to form a standard 160-acre gas spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent. This spacing and proration unit is to be dedicated to the Affirmed Well No. 1 to be drilled as a horizontal test well from a surface location 400 feet from the South line and 1880 feet from the West line, penetrating the Wolfcamp objective 700 feet from the South line and 1880 feet from the West line and terminating in the Wolfcamp formation 660 feet from the North line and 1880 feet from the West line. Also to be considered will be the cost of drilling and completion of 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 4 miles south of Hagerman, New Mexico.

CASE 13600: Application Of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in the E/2 of Section 27, Township 14 South, Range 26 East, in order to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent; and the NE/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent. This spacing and proration unit is to be dedicated to the Bold Venture Well No. 1 to be drilled as a horizontal test well from a surface location 400 feet from the North line and 1880 feet from the East line, penetrating the Wolfcamp objective 700 feet from the North line and 1880 feet from the East line and terminating in the Wolfcamp formation 660 feet from the South line and 1880 feet from the East line. Also to be considered will be the cost of drilling and completion of 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 3 miles south of Hagerman, New Mexico.