Examiner Hearing – April 24, 2003 Docket No. 12-03 Page 4 of 7

Carlsbad-Bone Spring Pool. The units are to be dedicated to applicant's Esperanza "15" St. Com. Well No. 2, drilled at an orthodox well location in the NW/4 NE/4 of Section 15. 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 charge for the risk involved in drilling and completing the well. The units are located approximately 5½ miles northeast of Carlsbad, New Mexico.

CASE 13025: Continued from March 13, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief to revoke the permit of Crawford Treating Company to operate an Oil Treatment Plant; Lea County, New Mexico. The Applicant seeks an order rescinding the permit of Dwight Crawford d/b/a Crawford Treating Company to operate an oil treating plant located in the NW/4 NW/4 of Section 12, Township 20 South, Range 38 East, in Lea County, New Mexico. Applicant further seeks an order requiring the former operator to clean up and reclaim the site of such previously operated facility, and in the event of his failure to do so, authorizing the Division to clean up and reclaim the site and forfeiting the operator's bond.

CASE 13026: Continued from March 13, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief to revoke the permit of Am-Bett Oil Company, Inc. to operate an Oil Treatment Plant; Lea County, New Mexico. The Applicant seeks an order rescinding the permit of Am-Bett Oil Company, Inc. to operate an oil treating plant located in Lot 6 of Section 3, Township 21 South, Range 37 East, in Lea County, New Mexico. Applicant further seeks an order requiring the former operator to clean up and reclaim the site of such previously operated facility, and in the event of its failure to do so, authorizing the Division to clean up and reclaim the site and forfeiting the operator's bond.

CASE 13027: Continued from March 13, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief to revoke the permit of Jamar, Inc. to operate an Oil Treatment Plant; Lea County, New Mexico. The Applicant seeks an order rescinding the permit of Jamar, Inc. to operate an oil treating plant located in the NE/4 NE/4 of Section 8, Township 20 South, Range 37 East, in Lea County, New Mexico. Applicant further seeks an order requiring the former operator to clean up and reclaim the site of such previously operated facility, and in the event of its failure to do so, authorizing the Division to clean up and reclaim the site and forfeiting the operator's bond.

CASE 13061: Application of the New Mexico Oil Conservation Division, through the Environmental Bureau Chief, for an Order Determining the Responsible Party or Parties and Ordering the Responsible Party or Parties to Complete and Perform an Abatement Plan Pursuant to OCD Rule 19; Lea County, New Mexico. The Applicant seeks an order determining the responsible parties with respect to subsurface water pollution existing at the South Langlie Jal Unit, in Sections 7, 8, 17 and 18, Township 25 South, Range 37 East, and ordering the responsible parties to submit a Stage I Investigation Report to the Division for approval.

<u>CASE 13062</u>: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Strawn production and designated as the Bear Grass Draw-Strawn Pool (Pool Code 97261). The discovery well is the EOG Resources, Inc. Sand Tank "1" Federal Com. Well No. 1 (API No. 30-015-29221) located in Unit H of Section 1, Township 18 South, Range 29 East, NMPM. Said pool would comprise:

Examiner Hearing – April 24, 2003 Docket No. 12-03 Page 5 of 7

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 1: NE/4

(b) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Abo production and designated as the Berrendo-Abo Gas Pool (Pool Code 96506). The discovery well is the Yates Petroleum Corporation Berrendo Well No. 1 (API No. 30-005-61274) located in Unit I of Section 5, Township 10 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 24 EAST, NMPM

Section 5: SE/4

(c) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Atoka production and designated as the North Cedar Lake-Atoka Pool (Pool Code 97257). The discovery well is the Marbob Energy Corporation Inc. Fair "17" Federal Well No. 1 (API No. 30-015-28969) located in Unit E of Section 17, Township 17 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 17: NW/4

(d) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Strawn production and designated as the Fadeaway Ridge-Strawn Gas Pool (Pool Code 97260). The discovery well is the Devon Energy Production Company, L.P. State "BW" Com. Well No. 1 (API No. 30-015-23966) located in Unit A of Section 27, Township 18 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 27: E/2

(e) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Atoka production and designated as the Remuda Basin-Atoka Gas Pool (Pool Code 97262). The discovery well is the Bass Enterprises Production Company Poker Lake Unit Well No. 153 (API No. 30-015-31412) located in Unit G of Section 6, Township 24 South, Range 30 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM

Section 6: N/2

(f) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Bone Spring production and designated as the Travis-Bone Spring Pool (Pool Code 97257). The discovery well is the V-F Petroleum, Inc. Walker State Com. Well No. 1 (API No. 30-015-30566) located in Unit K of Section 33, Township 18 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 33: SW/4

(g) EXTEND the Artesia-Glorieta-Yeso Pool (Pool Code 96830) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 28: NW/4

Examiner Hearing – April 24, 2003 Docket No. 12-03 Page 6 of 7

(h) EXTEND the Southwest Avalon-Wolfcamp Pool (Pool Code 97068) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM

Section 31: S/2

(i) EXTEND the East Burton Flat-Morrow Gas Pool (Pool Code 73320) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 29 EAST, NMPM

Section 5: W/2

(j) EXTEND the West Burton Flat-Strawn Gas Pool (Pool Code 73440) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 11: S/2

(k) EXTEND the East Dagger Draw-Strawn Gas Pool (Pool Code 96793) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

Section 9: S/2 Section 10: SW/4

(1) EXTEND the South Diamond Mound-Atoka Gas Pool (Pool Code 97002) in Eddy County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM

Section 27: S/2 Section 34: E/2

(m) EXTEND the Happy Valley-Delaware Pool (Pool Code 29665) in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM

Section 3: SW/4

(n) EXTEND the Southeast Loafer Draw-Morrow Gas Pool (Pool Code 97181) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 23 EAST, NMPM

Section 33: S/2

TOWNSHIP 22 SOUTH, RANGE 23 EAST, NMPM

Section 5: N/2

(o) EXTEND the Loco Hills-Cisco Pool (Pool Code 39516) in Eddy County, New Mexico to include:

Examiner Hearing – April 24, 2003 Docket No. 12-03 Page 7 of 7

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM

Section 4: E/2 Section 9: N/2

(p) EXTEND the Maljamar-Grayburg-San Andres Pool (Pool Code 43329) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 36: SE/4 and S/2 NE/4

(q) EXTEND the North Pecos Slope-Abo Gas Pool (Pool Code 82733) in Chaves County, New Mexico to include:

TOWNSHIP 4 SOUTH, RANGE 22 EAST, NMPM

Section 29: W/2 and SE/4

(r) EXTEND the East Pierce Crossing-Bone Spring Pool (Pool Code 96473) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 10: S/2

(s) EXTEND the Shugart-Strawn Pool (Pool Code 97239) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM

Section 5: SE/4

(t) EXTEND the Staple Canyon Rim-Atoka Gas Pool (Pool Code 97139) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 17: W/2

(u) EXTEND the Travis-Upper Pennsylvanian Pool (**Pool Code 59860**) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 28: NE/4

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.