

CASE 13253: *Continued from May 13, 2004, Examiner Hearing*

Application of Yates Petroleum Corporation for an Order Authorizing the Drilling of Three Wells in the Potash Area, Eddy County, New Mexico. Applicant seeks an order approving the drilling of the following three wells located within the Potash Area in Section 2, Township 23 South, Range 30 East:

- (A) Yates Petroleum Corporation Theodore "BDY" State Well No. 1 1980 feet from the South and West lines (Unit K);
- (B) Yates Petroleum Corporation Theodore "BDY" State Well No. 2 330 feet from the South line and 1650 feet from the East line (Unit O); and
- (C) Yates Petroleum Corporation Theodore "BDY" State Well No. 3 843 feet from the South line and 774 feet from the East line (Unit P).

These wells will be drilled as wildcat wells to an approximate depth of 7,850 or 100 feet below the base of the Delaware formation to test all formations from the surface to the base of the Delaware formation. These wells will be drilled at orthodox oil well locations on standard 40-acre oil spacing units in Section 2, Township 23 South, Range 30 East. Said location is within the Potash Area and approximately 8 miles east of Carlsbad, New Mexico.

CASE 13277: *Application of Fulfer Oil & Cattle Co. to Rescind Division Administrative Order NSP-1871 Issued to Yarbrough Oil, L.P., Lea County.* Applicant seeks to rescind Division Administrative Order NSP-1871, dated April 12, 2004, which approved Yarbrough Oil, L.P.'s application for a 160-acre non-standard Jalmat Gas Pool (79240) spacing unit comprising the N/2 SW/4, SW/4 SW/4, and NW/4 SE/4 of Section 17, Township 23 South, Range 37 East (located approximately 13 miles north of Jal, New Mexico). Fulfer Oil & Cattle Co. is the operator of a Jalmat Gas unit adjacent to the spacing unit.

CASE 13258: *Continued from April 29, 2004, Examiner Hearing.*

Application of the New Mexico Oil Conservation Division for a Compliance Order. The Applicant seeks an order requiring operator Inter-Continental Energy Inc. to bring one well into compliance with 19.15.4.201 NMAC and 19.15.4.202 NMAC by a date certain, assessing appropriate civil penalties against the operator, authorizing the Division to plug said well, forfeiting the operator's plugging security, and for such other relief as the Director deems appropriate. The affected well is: R. Fant #1, API #30-039-26436, Unit Letter O, Section 24, Township 31 North, Range 2 East, Rio Arriba County, New Mexico.

CASE 13165: *Continued from May 13, 2004, Examiner Hearing.*

Application of the New Mexico Oil Conservation Division for an Order Requiring EnergyPro Inc. to Properly Plug One Well, Imposing Civil Penalties in Event of Failure to Comply, Authorizing the Division to Plug Said Well in Default of Compliance by Operator, and Ordering a Forfeiture of Applicable Security, if Any, Lea County, New Mexico. The Applicant seeks an order requiring EnergyPro Inc., the operator of one inactive well in Lea County, New Mexico, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said well if the operator fails to do so, forfeiting Operator's plugging security, if any, and providing for such other relief as the Director deems appropriate. The affected well is: Huber State #1, API #30-025-27290, Lot 1, Section 5, Township 16 South, Range 38 East, Lea County, New Mexico.

CASE 13278: *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 a gas pool for Upper Pennsylvanian production and designated as the Angel Draw-Upper Pennsylvanian Gas Pool (Pool Code 97343). The discovery well is the Chi Operating, Inc. USA "9" Federal Well No. 2 (API No. 30-015-30835) located in Unit A of Section 9, Township 20 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM

Section 9: E/2

(b) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Pennsylvanian production and designated as the Bitter Lakes-Pennsylvanian Gas Pool (Pool Code 97347). The discovery well is the Yates Petroleum Corporation Comanchero "BCZ" Federal Com. Well No. 1 (API No. 30-005-62113) located in Unit E of Section 26, Township 10 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 25 EAST, NMPM
Section 26: N/2

(c) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Wolfcamp production and designated as the China Draw-Wolfcamp Gas Pool (Pool Code 97342). The discovery well is the Yates Petroleum Corporation MEC Com Well No. 2 (API No. 30-005-63501) located in Lot 6 of Section 6, Township 7 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 23 EAST, NMPM
Section 6: S/2

(d) EXTEND the Big Sinks-Wolfcamp Gas Pool (Pool Code 72122) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 29: S/2

(e) EXTEND the East Carlsbad-Morrow Gas Pool (Pool Code 73920) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 30: W/2

(f) EXTEND the Cemetery-Morrow Gas Pool (Pool Code 74640) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 3: N/2

(g) EXTEND the Southeast Cemetery-Morrow Gas Pool (Pool Code 97031) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 11: N/2

(h) EXTEND the Foor Ranch-Wolfcamp Gas Pool (Pool Code 76750) in Chaves County, New Mexico to include:

TOWNSHIP 9 SOUTH, RANGE 27 EAST, NMPM
Section 31: S/2

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 7: S/2

(i) EXTEND the Fren-Cisco-Canyon Pool (Pool Code 97126) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 15: NW/4
Section 16: N/2
Section 17: N/2

- (j) EXTEND the Gopher-Abo Gas Pool (Pool Code 77660) in Eddy County, New Mexico to include:
TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM
Section 31: S/2
- (k) EXTEND the Happy Valley-Strawn Gas Pool (Pool Code 78070) in Eddy County, New Mexico to include:
TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 3: E/2 and NW/4
Section 10: E/2
- (l) EXTEND the Southeast Henshaw-Wolfcamp Pool (Pool Code 96520) in Eddy County, New Mexico to include:
TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM
Section 16: N/2
Section 17: NE/4
- (m) EXTEND the Southwest McMillan-Wolfcamp Pool (Pool Code 97104) in Eddy County, New Mexico to include:
TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 19: W/2
- (n) EXTEND the Nash Draw-Delaware Pool (Pool Code 47545) in Eddy County, New Mexico to include:
TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM
Section 18: N/2
- (o) EXTEND the Pecos Slope-Abo Gas Pool (Pool Code 82730) in Chaves County, New Mexico to include:
TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 16: SW/4
Section 17: SE/4
- (p) EXTEND the Southeast Quahada Ridge-Delaware Pool (Pool Code 50443) in Eddy County, New Mexico to include:
TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 25: SW/4
- (q) EXTEND the Red Lake Shores-Grayburg Pool (Pool Code 97335) in Eddy County, New Mexico to include:
TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 20: E/2
Section 29: NE/4
- (r) EXTEND the Shugart-Morrow Gas Pool (Pool Code 85300) in Eddy County, New Mexico to include:
TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 1: E/2
- (s) EXTEND the North Shugart-Morrow Gas Pool (Pool Code 85305) in Eddy County, New Mexico to include:
TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 10: W/2

(t) EXTEND the Tansill Dam-Atoka Gas Pool (Pool Code 85900) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 8: N/2

Section 9: N/2

(u) EXTEND the Southwest Willow Lake-Delaware Pool (Pool Code 96855) in Eddy County, New Mexico to include:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM

Section 3: SE/4

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