

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