

DOCKET: EXAMINER HEARING - THURSDAY - MAY 13, 2004

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 14-04 and 15-04 are tentatively set for May 27, 2004 and June 10, 2004. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner.

CASE 13253: Continued from April 29, 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 13254: Readvertised

Application of Yates 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 Pre-Cambrian formation in all spacing and proration units located in the E/2 of Section 2, Township 8 South, Range 26 East, for all formations and/or pools developed on 319.89-acre spacing which includes but is not limited to the Undesignated North Foor Ranch-Pre-Permian Gas Pool and the Undesignated South Leslie Spring-Wolfcamp Gas Pool. Said unit is to be dedicated to its Value "BCV" State Com Well No. 1 to be drilled at a standard gas well location 990 feet from the South line and 1980 feet from the East line (Unit J) of said Section 2. 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 26 miles Northeast of Roswell, New Mexico.

CASE 13205: Continued from March 18, 2004, Examiner Hearing.

Application of Saga Petroleum, L.L.C. for an unorthodox infill gas well location and an exception to Division Rule 104.D (3), Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.D (3) in order to simultaneously dedicate production attributed to the Hobbs-Tubb Gas Pool (96946) within an existing 160-acre standard shallow gas spacing unit comprising the SE/4 of Section 33, Township 18 South, Range 38 East, from the following two wells: (i) Conoco State Well No. 3 (API No. 30-025-35961), located at an unorthodox gas well location 2110 feet from the South line and 2055 feet from the East line (Unit J) of Section 33 (*approved by Division Administrative Order NSL-4866, dated April 23, 2003*); and (ii) Conoco State Well No. 4 (API No. 30-025-24005), located at an unorthodox infill gas well location 688 feet from the South line and 2111 feet from the East line (Unit O) of Section 33. This 160-acre unit is located within the city limits of Hobbs with its southeast corner corresponding to the intersection of Marland Boulevard and Grimes Street.