Examiner Hearing – July 22, 2004 Docket No. 20-04 Page 2 of 5

CASE 13289: (Continued and Re-advertised)

Amended Application of Samson Resources Company for Special Pool Rules for the Southeast Hat Mesa-Delaware Pool, Lea County, New Mexico. Applicant seeks the promulgation of Special Pool Rules and Regulations on a temporary basis for the Southeast Hat Mesa-Delaware Pool located in Lots 9, 10, 15 and 16 of Section 2 of Township 21 South, Range 32 East, including provisions for 160-acre spacing and proration units with wells to be located no closer than 660 feet to any outer boundary of such unit and no closer than 10 feet to any quarter-quarter section or subdivision inner boundary. Said pool is located approximately 32 miles southwest of Lovington, New Mexico.

<u>CASE 13297</u>: Amended Application of Yates Petroleum Corporation for Approval of a Unit Agreement, Chaves County, New Mexico. Applicant seeks approval of the Barracuda State Exploratory Unit for all formations from the surface to the base of the Silurian-Devonian formation in an area comprising 3200 acres, more or less, of State of New Mexico lands in Sections 4, 5, 8, 9 and 17 of Township 10 South, Range 27 East, which is located approximately 21 miles east northeast of Roswell, New Mexico.

CASE 13282: Continued from June 24, 2004, Examiner Hearing

Application of Chi Energy, Inc. for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 25, Township 19 South, Range 29 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Turkey Track-Atoka Gas Pool and Undesignated Turkey Track-Morrow Gas Pool. The unit is to be dedicated to applicant's Peacekeeper State Com. Well No. 1, to be located at an orthodox well location in the NE/4 NE/4 of Section 25. 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 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13 miles south-southwest of Loco Hills, New Mexico.

CASE 13305: Application of Mewbourne Oil Company for an Exception to Division Rule 104.C(2)(c), Eddy County, New Mexico. Applicant seeks an order granting an exception to Division Rule 104.C(2)(c) to allow two operators in all formations developed on 320-acre spacing in the N/2 equivalent of irregular Section 19, Township 21 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit in the Burton Flat-Morrow Gas Pool, the Undesignated La Huerta-Strawn Gas Pool and the Undesignated La Huerta-Atoka Gas Pool and any other pool in this 314.84-acre spacing unit developed on 320 acre spacing. Applicant proposes to directionally drill the Mewbourne Esperanza "19" Federal Com Well No. 2 from a non-standard surface location 599 feet from the North line and 2043 feet from the East line to a standard bottomhole location of 780 feet from the North line and 1463 feet from the West line of this section. The well will therefore be at a standard location in the Wolfcamp, Strawn, Atoka and Morrow formations. Applicant seeks authority to simultaneously dedicate the N/2 of Section 19 in the Morrow formation to its Esperanza well and to the Wynn-Crosby Energy, Inc. RGD Well No. 1 located in the NE/4 NE/4 of the Section and to simultaneously dedicate the N/2 of Section 19 in the Strawn, Atoka and other formations to its Esperanza Well and the Vernon E. Faulconer, Inc. Pioneer Federal Com Well No. 1 located in the SW/4 NE/4 of Section 19. This unit is located approximately one mile northeast of Carlsbad, New Mexico.

CASE 13306: Application of Mewbourne Oil Company for Compulsory Pooling, Eddy County New Mexico. Applicant seeks an order pooling all mineral interests in all formations from the surface to the base of the Morrow formation in the S/2 of Section 2, Township 20 South, Range 27 East, for all formations and/or pools developed on 320-acre spacing, which includes but is not necessarily limited to the Angell Ranch-Atoka Morrow Gas Pool. Said unit is to be dedicated to its Angel Draw "2" State Com Well No. 1 to be drilled at a standard location 990 feet from the South line and 660 feet from the East line of said Section 2 and drilled to a depth sufficient to test all formations from the surface to the base of the Morrow formation. 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, provisions governing subsequent operations on the pooled units, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles north of Carlsbad, New Mexico.