

CASE 13301: *Application of HEC Petroleum, Inc. to Amend the Special Rules and Regulations for the Catclaw Draw-Morrow Gas Pool, Eddy County, New Mexico.* Applicant seeks an order amending the special rules and regulations for the Catclaw Draw-Morrow Gas Pool to provide for 640-acre well units, four wells per well unit with no more than one well per quarter section, wells to be located no closer than 660 feet to a quarter section line nor closer than 10 feet to a quarter-quarter section line or subdivision inner boundary, and one operator per well unit. The subject pool covers all or parts of Sections 1, 2, 11-14, 23-28, and 34-36, Township 21 South, Range 25 East, and Section 19 of Township 21 South, Range 26 East. The pool is centered approximately 8½ miles northwest of Carlsbad, New Mexico.

CASE 13271: *Continued from June 10, 2004, Examiner Hearing*
Application of Tom Brown, 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 following described acreage in Section 15, Township 22 South, Range 27 East, and in the following manner: The N/2 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 East Carlsbad-Wolfcamp Gas Pool, Undesignated Carlsbad-Strawn Gas Pool, and Undesignated South Carlsbad-Morrow Gas Pool; the NW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and the SW/4 NW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including the Esperanza-Delaware Pool. The units are to be dedicated to applicant's Forni Well No. 3, to be drilled at an orthodox well location in the SW/4 NW/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 200% charge for the risk involved in drilling and completing the well. The units are located approximately 3 miles north-northwest of Otis, New Mexico.

CASE 13253: *Continued from June 24, 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 13292: *Continued from June 24, 2004, Examiner Hearing*
Application of Platinum Exploration, Inc. for Approval of a Salt Water Disposal Well, Lea County, New Mexico. Applicant seeks approval to utilize its Huber State Well No. 1 (API No. 30-025-27290) located 330 feet from the North line and 1150 feet from the East line, Section 5, Township 16 South, Range 38 East, to dispose of produced water into the Devonian formation from an openhole depth of 13,300 feet to 13,600 feet. This well is located approximately 16 miles east of Lovington, New Mexico, near the Texas state line.

CASE 13293: *Continued from June 24, 2004, Examiner Hearing*
Application of Gandy Corporation for Approval of a Salt Water Disposal Well, Lea County, New Mexico. Applicant seeks approval to utilize its State "T" Well No. 2 (API No. 30-025-03735) located 4,290 feet from the South line and 500 feet from the West line, Lot 12, Section 6, Township 16 South, Range 36 East, to dispose of produced water into the San Andres and Glorieta formations through perforations from 4,810 feet to 6,880 feet. This well is located approximately 2 miles west of Lovington, New Mexico.