

CASE 13359: *Application of Mewbourne Oil Company for Compulsory Pooling, Lea 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 9, Township 21 South, Range 35 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 developed on 320-acre spacing within that vertical extent, including the Undesignated South Osudo-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within that vertical extent, including the Undesignated South Osudo-Wolfcamp Gas Pool; and the SE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre spacing within that vertical extent, including the Undesignated Osudo-Wolfcamp Pool and Undesignated Osudo-Strawn Pool. The units are to be dedicated to the proposed Osudo "9" State Com. Well No. 1, to be drilled at an orthodox location in the SE/4 NE/4 (Unit H) of Section 9. 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 7½ miles west of Oil Center, New Mexico.

CASE 13352: *Continued from October 7, 2004, Examiner Hearing.*
Application of Samson Resources Company for Compulsory Pooling, Lea 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 21 South, Range 32 East, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Undesignated Hat Mesa-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within that vertical extent; and the NE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the proposed Mesa Verde Federal "15" Well No. 1, to be drilled at an orthodox location in the NE/4 NE/4 (Unit A) 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 unit is located approximately 6½ miles southeast of the intersection of U.S. Highway 62/180 and State Highway 176.

CASE 13326: *Continued from October 7, 2004, Examiner Hearing*
Application of Mewbourne Oil Company 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 in the following described spacing and proration units located in the W/2 of Section 30, Township 20 South, Range 29 East: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated Scanlon-Morrow Gas Pool and the Undesignated Scanlon Strawn Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; the E/2 SW/4 for all formations and/or pools developed on 80-acre spacing; and the NE/4 SW/4 for any and all formations/pools developed on 40-acre spacing. Said units are to be dedicated to a well to be drilled at a standard gas well location 1650 feet from the South and West lines (Unit K) of said Section 30. 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 30 miles southwest of Lovington, New Mexico.

CASE 13347: *Continued from October 7, 2004, Examiner Hearing.*
Application of Williams Production Company for an exception to Rule 7(d) of the Special Pool Rules and Regulations for Basin-Fruitland Coal Gas Pool to authorize the Simultaneous Dedication of the south half of Section 8, Township 31 North, Range 5 West, NMPM, to two coal gas well located in the same quarter section, Rio Arriba County, New Mexico. Applicant seeks an exception to Rule 7(d) of the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool, to authorize the simultaneous dedication of the S/2 of Section 8, Township 31 North, Range 5 West, to the following two existing coal gas wells:

30-039-26949

the existing Rosa Unit Well No. 379 that has been drilled as an intentionally deviated horizontal wellbore on a project area comprised of the S/2 of this section from a surface location 1710 feet from the South line and 1680 feet from the West line (Unit K) with the horizontal portion of the wellbore extending in an east southeast direction with a vertical section of approximately 2500 feet traversing both quarter sections in the S/2 of Section 8, and

the proposed Rosa Unit well No. 379A to be drilled as a vertical well as the optional infill well on this 320-acre spacing unit from a surface location 1130 feet from the South line and 1680 feet from the West line (Unit N) of Section 8.

The surface locations for the Rosa Unit Well Nos. 379 and 379A will both be located in the SE/4 of Section 8. Said spacing unit is located approximately 8 miles North of Espinoza, New Mexico.

CASE 13361: *Application of the New Mexico Oil Conservation Division for a Compliance Order.* The Applicant seeks an order requiring Millard Deck Estate to bring two wells into compliance with 19.15.4.201 NMAC, imposing a civil penalty and authorizing the Division to plug said wells in the event of noncompliance, and for such other relief as the Director deems appropriate. The affected wells are: Alexander #001, API #30-025-06429, located at Unit Letter E, Section 7, Township 21 South, Range 37 East, approximately three miles east of Oil Center, in Lea County, New Mexico; and Lea 407 State #005, API #30-025-03535, located at Unit Letter D, Section 33, Township 21 South, Range 35 East, approximately 12 miles west of Eunice in Lea County, New Mexico.

CASE 13362: *Application of the New Mexico Oil Conservation Division for a Compliance Order.* The Applicant seeks an order requiring operator KC Resources Inc. to remediate contamination at a tank battery site in compliance with 19.15.3.116.D NMAC and bring three inactive wells into compliance with 19.15.4.201 NMAC; authorizing the Division to plug said wells and ordering a forfeiture of the applicable plugging bond if the operator fails to comply; and assessing civil penalties. The tank battery is located at the site of the Lea YH State #003, API #30-025-26562, J-25-18S-34E, NMPM. The inactive wells are the Lea YH State #001, API #30-025-26104, O-25-18S-34E, NMPM; the Lea YH State #002, API #30-025-26299, P-25-18S-34E, NMPM; and the Lea YH State #004, API #30-025-26687, I-25-18S-34E, NMPM. The tank battery and wells are located approximately 22 miles west of Hobbs in Lea County, New Mexico.

CASE 13363: *Application of the New Mexico Oil Conservation Division for an Order Requiring Greka AM, Inc. to Bring Six Wells into Compliance with 19.15.4.201 NMAC, Assessing Civil Penalties, and Authorizing the Division to Plug Said Wells and Forfeit the Applicable Security in Default of Compliance by Operator; Lea County, New Mexico.* The Applicant seeks an order requiring Greka AM, Inc., the operator in fact of six inactive wells in Lea County, New Mexico, to bring the wells into compliance with 19.15.4.201 NMAC, imposing civil penalties, authorizing the Division to plug said well or wells if the operator fails to do so and forfeit Operator's plugging security, and providing for such other relief as the Division deems appropriate. The affected wells are the following:

Harton State #1	API # 30-025-28540	UL H, Section 7, T13S, R36E
Morris #1	API # 30-025-29247	UL D, Section 8, T13S, R36E
Fern Guye #1	API #30-025-34488	UL M, Section 5, T13S, R36E
Saba State #1	API #30-025-33726	UL I, Section 7, T13S, R36E
San Simon 5 State #1	API #30-025-27564	UL E, Section 5, T22S, R35E
San Simon 5 State #2	API #30-025-28480	UL G, Section 5, T22S, R35E

The San Simon 5 State #1 and #2 wells are located approximately 25 miles southwest of Hobbs, New Mexico. The remaining wells are located approximately 20 miles north of Lovington, New Mexico.