Examiner Hearing – June 19, 2003 Docket No. 19-03 Page 4 of 7

Pool", as promulgated by Division Order No. R-11721, and made permanent by Division Order No. R-11721-A, for an infill oil well within an existing standard 320-acre stand-up oil spacing and proration unit comprising the W/2 of Section 26. This 320-acre Pennsylvanian oil unit is currently dedicated to the applicant's George "QJ" Federal Well No. 10 (API No. 30-005-63368), located at a standard oil well location 660 feet from the South line and 1500 feet from the West line (Unit N) of Section 26.

CASE 13093: Application of MYCO Industries, Inc. 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 following described spacing and proration units located in the W/2 of Section 30, Township 21 South, Range 28 East: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the East Carlsbad-Morrow Gas Pool, Undesignated West Indian Flats-Atoka Gas Pool, Undesignated Tansill Dam-Atoka Gas Pool, East Carlsbad-Strawn Pool, and Undesignated East Carlsbad-Wolfcamp Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing; and the NW/4 SW/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Topeka "30" Federal Com Well No. 2 to be drilled at a standard gas well location 2080 feet from the South line and 660 feet from the West line (Unit L) 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 1.2 miles southwest of mile marker 42.5 on Highway 62-180 east of Carlsbad, New Mexico.

CASE 13071: Reopened

Amended Application of MYCO Industries, Inc. for compulsory pooling and approval of non-standard spacing and proration units, 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 following described spacing and proration units located in Lots 1, 2, 3, and 4 and the E/2 W/2 (W/2 equivalent) of irregular Section 31, Township 21 South, Range 28 East: the W/2 equivalent forming a 311.32-acre non-standard spacing unit for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the East Carlsbad-Morrow Gas Pool, Undesignated West Indian Flats-Atoka Gas Pool, Undesignated Tansill Dam-Atoka Gas Pool, East Carlsbad-Strawn Pool, and Undesignated East Carlsbad-Wolfcamp Gas Pool; the SW/4 equivalent forming a 155.32-acre non-standard spacing unit for all formations and/or pools developed on 160acre spacing; and the NW/4 SW/4 equivalent forming a 37.74-acre non-standard spacing unit for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Juneau "31" Fee Com Well No. 1 to be drilled at a standard gas well location 1980 feet from the South line and 660 feet from the West line (Unit L) of said irregular Section 31. 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 1.4 miles southwest of mile marker 42.5 on Highway 62-180 east of Carlsbad, New Mexico.

CASE 13094: Application of MYCO Industries, Inc. for compulsory pooling and approval of non-standard spacing and proration units, 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 following described spacing and proration units located in Lots 1, 2, 3 and 4 and the E/2 W/2 (W/2 equivalent) of irregular Section 31, Township 21 South, Range 28 East: the W/2 equivalent forming a 311.32-acre non-standard spacing unit for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the East Carlsbad-Morrow Gas Pool, Undesignated West Indian Flats-Atoka Gas Pool, Undesignated Tansill Dam-Atoka Gas Pool, East Carlsbad-Strawn Pool, and Undesignated East Carlsbad-Wolfcamp Gas Pool; the NW/4 equivalent forming a 156-acre non-standard spacing unit for all formations and/or pools developed on 160-acre spacing; and the NW/4 NW/4 equivalent forming a 38.08-acre non-

Examiner Hearing – June 19, 2003 Docket No. 19-03 Page 5 of 7

standard spacing unit for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Juneau "31" Fee Com Well No. 2 to be drilled as an infill well on this unit at a standard gas well location 660 feet from the North and West lines (Unit D) of said Section 31. 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 1.3 miles southwest of mile marker 42.5 on Highway 62-180 east of Carlsbad, New Mexico.

CASE 13095: Application of MYCO Industries, Inc. 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 following described spacing and proration units located in the E/2 of Section 31, Township 21 South, Range 28 East: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the East Carlsbad-Morrow Gas Pool, Undesignated West Indian Flats-Atoka Gas Pool, Undesignated Tansill Dam-Atoka Gas Pool, East Carlsbad-Strawn Pool, and Undesignated East Carlsbad-Wolfcamp Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing; and the SE/4 NE/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Panther City "31" Fee Com Well No. 1 to be drilled as an infill well on this unit at a standard gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 31. 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 1 mile southwest of mile marker 42.5 on Highway 62-180 east of Carlsbad, New Mexico.

CASE 13096: Application of MYCO Industries, Inc. 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 following described spacing and proration units located in the N/2 of Section 32, Township 21 South, Range 28 East: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the East Carlsbad-Morrow Gas Pool, Undesignated West Indian Flats-Atoka Gas Pool, Undesignated Tansill Dam-Atoka Gas Pool, East Carlsbad-Strawn Pool, and Undesignated East Carlsbad-Wolfcamp Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing; and the NE/4 NE/4 for all formations and/or pools developed on 40-acre spacing. Said units are to be dedicated to its Throckmorton "32" Federal Com Well No. 1 to be drilled at a standard gas well location 660 feet from the North and East lines (Unit A) of said Section 32. 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 1/2 mile southwest of mile marker 42.5 on Highway 62-180 east of Carlsbad, New Mexico.

<u>CASE 13050</u>: Continued from June 5, 2003, Examiner Hearing.

Application of Doyle Hartman, Oil Operator for simultaneous dedication, an exception to Rule 3 (D) of the Special Rules and Regulations for the Eumont Gas Pool, an unorthodox infill gas well location, and to amend Division Administrative Order NSL-4773 (SD), Lea County, New Mexico. Division Administrative Order NSL-4773 (SD) dated September 4, 2002 authorized Doyle Hartman, Oil Operator to simultaneously dedicate the following six gas wells to a non-standard 320-acre gas spacing unit (approved by Division Order No. R-5448) within the Eumont Gas Pool (76480) comprising the W/2 E/2 and E/2 W/2 of Section 7, Township 20 South, Range 37 East, which is located approximately three (3) miles south-southwest of Monument, New Mexico: