

DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 3, 2005

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

Santa Fe, New Mexico

Docket Nos. 06-05 and 07-05 are tentatively set for February 17, 2005 and March 3, 2005. Applications for hearing must be filed at least 23 days in advance of hearing date. OCD Rule 1208.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Friday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Friday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

CASE 13397: *Continued from January 20, 2005, Examiner Hearing.*

Application of Yates Petroleum Corporation for approval of a Unit Agreement, Chaves County, New Mexico. Applicant seeks approval of the Leanin L Federal Exploratory Unit from the top of the Queen formation to the base of the Chester Lime in an area comprising 2640 acres of Federal lands in Sections 3, 8, 9, 10 and 17, Township 15 South, Range 29 East, which is located approximately 20 miles east of Lake Arthur, New Mexico.

CASE 13403: *Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico.* Applicant seeks approval of the Fender State Exploratory Unit from the surface to the top of the Mississippian formation in an area comprising 5442.24 acres of State of New Mexico lands in Sections 3, 4, 5, 8, 9, 10, 15, 16, and 17, Township 10 South, Range 32 East, which is located approximately 4 miles northeast of Caprock, New Mexico.

CASE 13404: *Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico.* Applicant seeks approval of the Faron State Exploratory Unit from the surface to the top of the Mississippian formation in an area comprising 6400.00 acres of State of New Mexico lands in Sections 3, 4, 5, 6, 8, 9, 10, 16, and 17, Township 9 South, Range 32 East, which is located approximately 10 miles northeast of Caprock, New Mexico.

CASE 13405: *Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface through the Chester series of the Mississippian formation in the following described acreage in Section 16, Township 19 South, Range 26 East: N/2 to form standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Four Mile Draw-Morrow Gas Pool and the Undesignated West Four Mile-Strawn Gas Pool; NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and SE/4 NE/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to its Clayton "BFO" State Com Well No. 2 to be drilled 1980 feet from the North line and 660 feet from the East line of said Section 16 to an approximate depth of 9,800 feet. 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 Yates Petroleum Corporation as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles south of Artesia, New Mexico.

CASE 13399: *Continued from January 6, 2005, Examiner Hearing*

Application of Dugan Production Corporation for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks approval to drill its proposed Federal "T" Com. Well No. 103 (API No. 30-045-32587) at an unorthodox coal gas well location within the W/2 equivalent of Section 12, Township 29 North, Range 14 West, being a standard 320-acre, more or less, stand-up gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629), 1775 feet from the North line and 10 feet from the West line (Unit E) of Section 12. This unit is located approximately one mile west of the Four Corners Regional Airport in Farmington, New Mexico.

CASE 13406: *Application of Seely Oil Company for amendment of the remedial cementing requirements of Division Order No. R-11929 which approved waterflood operations in the EK Penrose Sand Unit, Lea County, New Mexico.* Applicant seeks an order amending Order No. R-11929 to eliminate the cementing requirements for the McElvain Federal Well No. 3 (API No. 30-025028557) located in the SW/4 SW/4 of Section 30, Township 18 South, Range 34 East. Said well is located approximately 14 miles southwest of Lovington, New Mexico.