Examiner Hearing – April 7, 2005 Docket No. 11-05 Page 6 of 8

CASE 13274: Continued from March 17, 2005, Examiner Hearing

Application of Arch Petroleum Inc. and Westbrook Oil Corporation for Approval of Two Non-Standard Gas Spacing and Proration Units in the Jalmat Gas Pool, Lea County, New Mexico. Applicants seek approval of (i) a non-standard gas spacing and proration unit comprised of the SW/4 of Section 20, Township 23 South, Range 37 East, to be dedicated in the Jalmat Gas Pool to the Steeler "A" Well No. 1, located in the NW/4 SW/4 of the section, and (ii) a non-standard gas spacing and proration unit comprised of the SE/4 of Section 20 in said township and range, to be dedicated in the Jalmat Gas Pool to the Resler "B" Well No. 1, located in the NW/4 SE/4 of the section. The units are located approximately 10½ miles south-southwest of Eunice, New Mexico.

<u>CASE 13456</u>: Application of the New Mexico Oil Conservation Division for a Compliance Order against Eclipse Oil and Gas, Inc. The Applicant seeks an order requiring Eclipse Oil and Gas, Inc. to plug and abandon ten wells in accordance with 19.15.4.202 NMAC by a date certain; authorizing the Division to plug said wells and forfeit the applicable financial assurance in the event the operator fails to comply; and for such other relief as the Director deems appropriate. The affected wells are:

State D SWD #001, API # 30-025-36171, UL I, Sec. 9, Twp. 14S, R 33E Lion State #1, API 30-025-01119, UL J, Sec. 9, Twp. 14S, R33E Lion A State #2, API 30-025-01120, UL P, Sec. 9, Twp. 14S, R33E Saunders State #1, API 30-025-28205, UL N, Sec. 9, Twp. 14S, R33E Saunders State #2, API 30-025-28622, UL E, Sec. 16, Twp. 14S, R33E Saunders State #3, API 30-025-28631, UL O, Sec. 9, Twp. 14S, R33E Saunders A State #1, API 30-025-28206, UL J, Sec. 16, Twp. 14S, R33E Tenneco Sunshine #1, API 30-025-25316, UL I, Sec. 1, Twp. 12S, R32E Tenneco Sunshine #2, API 30-025-25374, UL P, Sec. 1, Twp. 12S, R32E Tenneco Sunshine #3, API 30-025-25427, UL N, Sec. 1, Twp. 12S, R32E

The wells are located approximately 15-25 miles northwest of Lovington in Lea County, New Mexico.

CASE 13468:

In the matter of the hearing called by the Oil Conservation Division for an order creating, abolishing and extending certain pools in Chaves and Eddy Counties, New Mexico.

(a) CREATE a new pool in Chaves County, New Mexico classified as an oil pool for Siluro-Devonian production and designated as the Crockett Draw-Siluro-Devonian Pool (Pool Code 97429). The discovery well is the Yates Petroleum Corporation Seinfield "BBK" Federal Well No. 1 (API No. 30-005-62117) located in Unit M of Section 12, Township 6 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 6 SOUTH, RANGE 26 EAST, NMPM Section 12: SW/4

(b) CREATE a new pool in Eddy County, New Mexico classified as a gas pool for Glorieta-Yeso production and designated as the Middle Seven Rivers-Glorieta-Yeso Gas Pool (Pool Code 97426). The discovery well is the Yates Petroleum Corporation Hill View "AHE" Federal Well No. 1 (API No. 30-015-26335) located in Unit D of Section 12, Township 20 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM Section 12: NW/4

(c) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Wolfcamp production and designated as the Middle Seven Rivers-Wolfcamp Pool (Pool Code 97428). The discovery well is the Yates Petroleum Corporation Hill View "AHE" Federal Well No. 1 (API No. 30-015-26335) located in Unit D of Section 12, Township 20 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 24 EAST, NMPM Section 12: NW/4