

CASE 13408: Continued from April 7, 2005, Examiner Hearing

Application of Latigo Petroleum, Inc. for an exception to Division Rule 104.D(3), Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.D(3) in order to simultaneously dedicate production from the Bough-San Andres Gas Pool (Pool Code 72680) within an existing standard 160-acre gas spacing unit comprising the SW/4 of Section 13, Township 9 South, Range 35 East, from the following two wells: (i) the Federal A 13 Well No. 2 (API No. 30-025-02651), located at an orthodox gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 13; and (ii) the Federal A Well No. 5, located at an orthodox gas well location 810 feet from the South line and 1980 feet from the West line (Unit N) of Section 13. The unit is located approximately 3 miles northwest of Crossroads, New Mexico.

CASE 13464: Continued from April 21, 2005, Examiner Hearing

Application of Latigo Petroleum, 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 Lots 1, 2, NE/4, and E/2 NW/4 of Section 19, Township 25 South, Range 27 East, to form a standard 318.89-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Cottonwood Draw-Strawn Gas Pool and Undesignated Cottonwood Draw-Morrow Gas Pool. The unit is to be dedicated to the Marine "19" Federal Well No. 1, to be located at an orthodox gas well location in the SW/4 NW/4 of Section 19. 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

CASE 13487: Application of Preston Exploration, L.L.C. For Compulsory Pooling, Eddy County, New Mexico.

Applicant seeks an order pooling the owner of operating rights under federal oil and gas lease No. NMNM.0553777 covering the SW/4 SW/4 of Section 2, Township 20 South, Range 25 East, in all formations from the surface to the deeper of the base of the Morrow formation or 9,772 feet subsurface to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent, which presently include but are not necessarily limited to the Cemetery Morrow Gas Pool. This spacing and proration unit is to be dedicated to the Cemetery "2" No. 2 Well to be drilled to the Morrow formation at a standard gas well location 660 feet from the South line and 1,750 feet from the East line of Section 2. This Application is brought pursuant to the provisions of 19.15.14.1207 A.(1)(b) NMAC. Applicant has been unable to locate Santa Fe Exploration Company, the owner of the operating rights referenced above. The last known address for the owner of the interests to be pooled is:

Santa Fe Exploration Company
201 W. Third Street
Roswell, New Mexico 88201

Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of applicant as operator and a charge for risk involved in drilling the well. The lands that are the subject of the application are located approximately two miles west of Seven Rivers, New Mexico.

CASE 13488: 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 Eddy County, New Mexico classified as a gas pool for Atoka production and designated as the Cottonwood Draw-Atoka Gas Pool (Pool Code 97435). The discovery well is the Gruy Petroleum Corporation Wigeon "23" Federal Com. Well No. 1 (API No. 30-015-33563) located in Unit J of Section 23, Township 25 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM
Section 23: E/2

(b) CREATE a new pool in Eddy County, New Mexico classified as an oil pool for Upper Pennsylvanian production and designated as the Fadeaway Ridge-Upper Pennsylvanian Pool (Pool Code 97439). The discovery well is the Marbob Energy Corporation Hint "15" State Well No. 1 (API No. 30-015-32998) located in Unit E of Section 15, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 15: NW/4

- (c) ABOLISH the Blackwater-Abo Pool (Pool Code 96377) in Chaves County, New Mexico consisting of the following described area:

TOWNSHIP 9 SOUTH, RANGE 22 EAST, NMPM

Section 4: SW/4

- (d) EXTEND the East Carlsbad-Morrow Gas Pool (Pool Code 73920) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 11: All

- (e) EXTEND the East Carlsbad-Strawn Gas Pool (Pool Code 74080) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM

Section 30: W/2

- (f) EXTEND the Collins Ranch-Wolfcamp Gas Pool (Pool Code 75010) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM

Section 22: W/2

Section 27: W/2

- (g) EXTEND the Corral Canyon-Delaware Pool (Pool Code 13360) in Eddy County, New Mexico to include:

TOWNSHIP 25 SOUTH, RANGE 30 EAST, NMPM

Section 7: SE/4

- (h) EXTEND the Cottonwood Draw-Morrow Gas Pool (Pool Code 97377) in Eddy County, New Mexico to include:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM

Section 24: E/2

- (i) EXTEND the Crow Flats-Morrow Gas Pool (Pool Code 75720) in Eddy County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 27 EAST, NMPM

Section 29: E/2

- (j) EXTEND the South Empire-Morrow Gas Pool (Pool Code 76400) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 6: S/2

- (k) EXTEND the Foor Ranch-Pre-Permian Gas Pool (Pool Code 76730) in Chaves County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM

Section 5: N/2

(l) EXTEND the West Four Mile Draw-Atoka Gas Pool (Pool Code 76950) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM

Section 32: S/2

Section 33: S/2

(m) EXTEND the North Hackberry-Bone Spring Pool (Pool Code 97056) in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

Section 7: N/2

(n) EXTEND the North Illinois Camp-Morrow Gas Pool (Pool Code 78890) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM

Section 30: S/2

(o) EXTEND the South Leslie Spring-Wolfcamp Gas Pool (Pool Code 97110) in Chaves County, New Mexico to include:

TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM

Section 5: E/2

(p) EXTEND the Little Box Canyon-Morrow Gas Pool (Pool Code 80240) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 23 EAST, NMPM

Section 31: S/2

(q) EXTEND the Lost Tank-Delaware Pool (Pool Code 40299) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 31 EAST, NMPM

Section 35: NE/4

(r) EXTEND the Southeast Loving-Atoka Gas Pool (Pool Code 80705) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM

Section 6: NW/4

(s) EXTEND the North Loving-Morrow Gas Pool (Pool Code 80695) in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM

Section 1: All

(t) EXTEND the McKittrick Hills-Upper Pennsylvanian Gas Pool (Pool Code 81160) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 24 EAST, NMPM

Section 13: S/2

Section 24: N/2

(u) EXTEND the West Pecos Slope-Abo Gas Pool (Pool Code 82740) in Chaves County, New Mexico to include:

TOWNSHIP 8 SOUTH, RANGE 22 EAST, NMPM

Section 33: W/2

TOWNSHIP 9 SOUTH, RANGE 22 EAST, NMPM

Section 4: W/2

- (v) EXTEND the Southeast Quahada Ridge-Delaware Pool (Pool Code 50443) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM

Section 24: SW/4

- (w) EXTEND the Strychnine Draw-Atoka Gas Pool (Pool Code 97121) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 23 EAST, NMPM

Section 29: W/2

Section 32: W/2

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.