Examiner Hearing – February 17, 2005 Docket No. 06-05 Page 4 of 10

<u>CASE 13410</u>: Continued from February 3, 2005, Examiner Hearing.

Application of Mewbourne Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Queen formation to the base of the Bone Spring formation underlying the following described acreage in Section 29, Township 18 South, Range 30 East, and in the following manner: The S/2 SE/4 to form a standard 80-acre oil spacing and proration unit for any and all formations developed on 80-acre spacing within that vertical extent, including the Undesignated Santo Nino-Bone Spring Pool; and the SW/4 SE/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 Pinta "29" Fed. Well No. 1, to be drilled at an orthodox oil well location in the SW/4 SE/4 (Unit O) of Section 29. 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 7 miles south of Loco Hills, New Mexico.

CASE 13423: This case will be continued to the March 3, 2005, 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 underlying the following described acreage in Section 11, Township 20 South, Range 27 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 West Burton Flat-Wolfcamp Gas Pool, Undesignated Angell Ranch Atoka-Morrow Gas Pool, and Undesignated Burton Flat-Morrow Gas Pool; and 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. The units are to be dedicated to the proposed Angell Canyon "11" Fed. Com. Well No. 1, to be drilled at an orthodox location in the NE/4 NE/4 (Unit A) of Section 11. 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 10 miles east of Seven Rivers, New Mexico.

CASE 13381: Continued and Readvertised

Application of Chi Energy, 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 the following described acreage in Section 17, Township 22 South, Range 27 East, and in the following manner: The S/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 East Carlsbad-Wolfcamp Gas Pool, South Carlsbad-Strawn Gas Pool, and South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 40-acre gas spacing within that vertical extent; and the NE/4 SE/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 South Carlsbad-Cherry Canyon Pool. The units are to be dedicated to the proposed Kodiak Well No. 1; to be drilled at an orthodox location in the NE/4 SE/4 (Unit I) of Section 17. 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 Chi Operating, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 2 miles south-southwest of Otis, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 13424: Application of Pogo Producing Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order reinstating Order No. R-12195-A, pooling all mineral interests from the top of the Cherry Canyon formation to the base of the Morrow formation underlying the following described acreage in Section 30, Township 23 South, Range 33 East, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent; the NE/4 to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and the SE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the West Brinninstool-Wolfcamp Pool.