Examiner Hearing – June 16, 2005 Docket No. 19-05 Page 2 of 6

CASE 13486: Continued and Readvertised

Application of Synergy Operating, LLC for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying the following described acreage in Section 8, Township 29 North, Range 11 West, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any pools or formations developed on 320-acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any pools or formations developed on 160-acre spacing within that vertical extent, including the Undesignated Bloomfield-Farmington Pool. The units are to be dedicated to the Duff 29-11-8 Well No. 104, to be drilled at an orthodox location in the NW/4 of Section 8, and the Duff 29-11-8 Well No. 105, to be drilled at an orthodox location in the SW/4 of Section 8. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The units are located approximately 6 miles south-southwest of Aztec, New Mexico.

CASE 13497: Continued from June 2, 2005, Examiner Hearing

Application of Samson Resources Company for compulsory pooling, Eddy County, New Mexico: Applicant seeks an order pooling all mineral interests from the base of the Bone Spring formation to the base of the Morrow formation underlying the E/2 of Section 17, Township 18 South, Range 30 East, to form a standard 320-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 Sand Tank-Strawn Gas Pool and Undesignated Sand Tank-Morrow Gas Pool. The unit is to be simultaneously designated to the proposed Sand Tank "17" Fed. Com. Well No. 2, to be located at an orthodox well location in the NE/4 SE/4 of Section 17, and to the existing Sand Tank "17" Fed. Com. Well No. 1, located at an approved unorthodox location in the SE/4 NE/4 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 applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 5 miles south-southwest of Loco Hills, New Mexico.

CASE 13507: 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 S/2 of Section 26, Township 22 South, Range 27 East, to form a standard 320-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 Cass Draw-Wolfcamp Gas Pool, Carlsbad-Strawn Gas Pool, Undesignated Otis-Atoka Gas Pool, and Otis-Morrow Gas Pool. The unit is to be dedicated to the Henry Grandi Well No. 1, to be drilled at an orthodox gas well location in the NE/4 SE/4 of Section 26. 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 unit is located approximately 1 mile northeast of Otis, New Mexico.

CASE 13508: Application of Magnum Hunter Production, 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 1-4 and the E/2 W/2 of Section 18, Township 25 South, Range 27 East, to form a standard 317.88-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 Gadwall 18 Fed. Com. Well No. 1, to be drilled at an orthodox gas well location in Lot 1 (the NW/4 NW/4) of Section 18. 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 Gruy Petroleum Management Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 5 miles south-southeast of Black River Village, New Mexico.