Examiner Hearing – June 16, 2005 Docket No. 19-05 Page 3 of 6

CASE 13499: Continued from June 2, 2005, Examiner Hearing

Application of Nadel and Gussman Permian, L.L.C. 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 18, Township 21 South, Range 24 East, and in the following manner: The E/2 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 Indian Basin-Upper Pennsylvanian Associated Pool and Undesignated Indian Basin-Strawn Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the Tornillo "18" Federal Well No. 1, to be located at an orthodox location in the SE/4 SE/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 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 10-1/2 miles southwest of Seven Rivers, New Mexico.

CASE 13500: Continued from June 2, 2005, Examiner Hearing

Application of Nadel and Gussman Permian, L.L.C. 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 19, Township 19 South, Range 30 East, and in the following manner: The W/2 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; the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SE/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Parkway Upper Pennsylvanian Pool. The units are to be dedicated to the Highwayman Federal Well No. 1, to be located at an orthodox gas well location in the SE/4 SW/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 completing the well. The units are located approximately 12-1/2 southwest of Loco Hills, New Mexico.

<u>CASE 13509</u>: Application of Marbob Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Atoka formation to the base of the Morrow formation in all spacing and proration units located in the N/2 of Section 30, Township 18 South, Range 28 East, for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the North Illinois Camp-Morrow Gas Pool. Said units are to be dedicated to its Nichols State Well No. 1 that has been drilled at a standard gas well location 1370 feet from the North line and 1500 feet from the East line (Unit G) of said Section 30. Also to be considered will be the designation of Marbob Energy Corporation as operator of the well and spacing units. Said area is located approximately 15.5 miles southwest of Loco Hills, New Mexico.

Application of EOG Resources, Inc. for compulsory pooling, Lea County, New Mexico. Applicant CASE 13510: seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the W/2 of Section 16, Township 18 South, Range 32 East; the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Undesignated North Lusk-Morrow Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the W/2 NW/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated Young-Strawn Pool; and the SW/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated North Young-Wolfcamp Pool, Young-Bone Spring Pool, Undesignated North Young-San Andres Pool, Undesignated South Maljamar-Grayburg Pool, and Young-Queen Pool. These spacing and proration units are to be dedicated to the Joven "16" State Com Well No. 1 to be drilled to the Morrow formation at a standard gas well location 1800 feet from the North line and 990 feet from the West line of said Section 16. 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 EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles south of Maljamar, New Mexico.