

CASE 13459: Continued from April 17, 2005, Examiner Hearing

Application of Occidental Permian Limited Partnership 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 N/2 of Section 10, Township 17 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for any production from any and all formations/pools developed on 320-acre spacing within that vertical extent, including but not limited to the Logan Draw-Morrow Gas Pool. This unit is to be dedicated to its OPL Legend State Com Well No. 1 to be drilled at a standard well location in Unit F of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and, pursuant to Commission Order R-11992, a risk charge of 200% for the risk involved in this well. This unit is located approximately 7 miles East from Artesia, New Mexico.

CASE 13476: **Application of Yates Petroleum Corporation for approval of a Unit Agreement, Chaves and Lea County, New Mexico.** Applicant seeks approval of the Chicken Little State Exploratory Unit from the surface to the base of the Mississippian formation in an area comprising 3323.16 acres of State of New Mexico and Fee lands in Sections 24, 25, 35, and 36 Township 10 South, Range 31 East, and Irregular Section 4, Irregular Section 5, and Irregular Section 6 of Township 11 South, Range 32 East, which is located approximately 36 miles north of Maljamar, New Mexico.

CASE 13477: **Application of Yates Drilling Company for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from a depth of 4000 feet through the top of the Chester formation in the following described acreage in Section 8, Township 20 South, Range 27 East: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on 320-acre spacing within that vertical extent; the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and the NW/4 NW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the McMillan-Seven Rivers-Queen Pool and the Undesignated McMillan-Wolfcamp Pool. Said units are to be dedicated to its Crazy 8 Federal Com Well No. 1 to be drilled 990 feet from the North line and 660 feet from the West line (Unit D) of said Section 8 to an approximate depth of 11,000 feet. 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 Yates Drilling Company as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately four miles northeast of Brantley Lake Dam, Eddy County, New Mexico.

CASE 13405: Continued from March 17, 2005, Examiner Hearing.

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface through the Chester series of the Mississippian formation in the following described acreage in Section 16, Township 19 South, Range 26 East: N/2 to form standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Four Mile Draw-Morrow Gas Pool and the Undesignated West Four Mile-Strawn Gas Pool; NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and SE/4 NE/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent. Said units are to be dedicated to its Clayton "BFO" State Com Well No. 2 to be drilled 1980 feet from the North line and 660 feet from the East line of said Section 16 to an approximate depth of 9,800 feet. 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 Yates Petroleum Corporation as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 12 miles south of Artesia, New Mexico.

CASE 13478: **Application of Yates Petroleum Corporation 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 under the following acreage in Section 25, Township 21 South, Range 26 East: the N/2 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 includes but is not necessarily limited to the Burton Flat-Morrow Gas Pool, the Crozier Bluff-Atoka Gas Pool, and the Northeast Happy Valley-Strawn Gas Pool; and the NE/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent. These spacing and proration units are to be dedicated to the Louise "AYT" Well No. 2 located 990 feet from the North line and 1550 feet from the East line of Section 25 which Yates proposes to drill at a standard location in the Morrow formation. Also to be considered will be the cost of drilling and completion of said well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of

applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1/2 mile north of Carlsbad, New Mexico.

CASE 13462: Continued from April 7, 2005, Examiner Hearing

Application of Yates Petroleum Corporation for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the lower Mississippian Lime formation under the following acreage in Section 29, Township 9 South, Range 35 East: the S/2 to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres within this vertical extent; the SW/4 to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent, which presently includes but is not necessarily limited to the Undesignated Jenkins-Atoka Gas Pool and the Undesignated Jenkins-Cisco Pool; and the NW/4 SW/4 (Unit L) to form a standard 40-acre spacing and proration unit for all formations or pools spaced on 40 acres within this vertical extent, which presently includes but is not necessarily limited to the Undesignated Jenkins Devonian Pool and the Undesignated Jenkins-San Andres Pool. These spacing and proration units are to be dedicated to the Gill BGJ No. 1 Well located 1650 feet from the South line and 660 feet from the West line of Section 29 which Yates proposes to drill at a standard location in the lower Mississippian Lime formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, the actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 5 miles east of Crossroads, New Mexico.

CASE 13479: Application of Dominion Exploration & Production, Inc. for an exemption to the provisions of Division Rule 310.A, Chaves, Eddy and Lea Counties, New Mexico. Applicant seeks an exemption to the provisions of Division Rule 310.A which provides that fire walls required by this rule shall form a reservoir having a capacity one-third larger than the capacity of enclosed tank or tanks and instead authorize the firewalls around forty-five facilities to permit each facility to be operated in compliance with the requirements established by the Environmental Protection Agency for such facilities. These facilities are located at various sites in Chaves, Eddy and Lea Counties, New Mexico as follows:

Chaves County:

R&S Federal #1 Tank Battery - Section 17, Township 15 South, Range 28 East
R&S State Tank Battery - Section 17, Township 15 South, Range 28 East

Eddy County:

Abby Federal #5 - Section 28, Township 26 South, Range 30 East
Aoudad Federal Central Tank Battery - Section 33, Township 22 South, Range 26 East
Artesia 21 State #2 Tank Battery - Section 21, Township 18 South, Range 28 East
Barbados State #1 - Section 32, Township 22 South, Range 26 East
Big Eddy #117 SWD - Section 25, Township 22 South, Range 28 East
Dall Federal #1 Tank Battery - Section 33, Township 22 South, Range 26 East
Durango 10 Federal #1 - Section 10, Township 17 South, Range 29 East
EV State #1 Tank Battery - Section 32, Township 22 South, Range 26 East
Geronimo 34-1Y - Section 34, Township 17 South, Range 28 East
Geronimo 34-2 - Section 34, Township 17 South, Range 28 East
Geronimo 36 State Com 1 - Section 36, Township 17 South, Range 28 East
Happy Valley Federal Com 1 Tank Battery - Section 28, Township 22 South, Range 26 East
J. A. Tamano Federal Com #1 Tank Battery - Section 27, Township 22 South, Range 26 East
Loco Hills 4 Federal Com #1 - Section 4, Township 18 South, Range 29 East
Loco Hills 4 Federal Com #4 - Section 4, Township 18 South, Range 29 East
Pinnacle State #1 Tank Battery - Section 36, Township 22 South, Range 28 East
Ram EWE Federal #4 Tank Battery - Section 33, Township 22 South, Range 26 East
Rio Cinco State 1 - Section 26, Township 17 South, Range 28 East
Saragosa 16 State Com #1 - Section 16, Township 23 South, Range 26 East
Saragosa 16 State Com #2 - Section 16, Township 23 South, Range 26 East
Saragosa 17 State Com #1 - Section 17, Township 23 South, Range 26 East
Saragosa 17 State Com #3 - Section 17, Township 23 South, Range 26 East
Sheep Draw #2 Tank Battery - Section 33, Township 22 South, Range 26 East
Sheep Draw Federal 28-1 Tank Battery - Section 28, Township 22 South, Range 26 East
Sheep Draw Federal 28-13 Tank Battery - Section 28, Township 22 South, Range 26 East
Turkey Track 11-4 Tank Battery - Section 11, Township 19 South, Range 28 East