

CASE 13493: Continued from June 16, 2005, Examiner Hearing

Application of Chesapeake Permian, L.P. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of Irregular Section 4, Township 21 South, Range 35 East, forming a standard 320-acre gas spacing and proration unit for any production from any and all formations/pools developed on 320-acre gas spacing within that vertical extent, including but not limited to the South Osudo Morrow Pool. This unit is to be dedicated to its KF 4 State Well No. 1 (API #30-025-37129) that is being drilled at a standard well location in Unit X 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 Chesapeake Operating, Inc. 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 6 miles west from Oil Center, New Mexico.

CASE 13494: Continued from June 16, 2005, Examiner Hearing

Application of Texland Petroleum, L.P. for a Compliance Order against Latigo Petroleum, Inc. voiding of Administrative Order DHC-3086, compulsory pooling, change of operator and other relief, Lea County, New Mexico. Applicant seeks a Compliance Order, including fines, against Latigo Petroleum, Inc. ("Latigo") including an order to void and revoke Administrative Order DHC-3086, and to require Latigo to immediately shut-in its Conoco State Well No. 3 (API No. 30-025-35961) located in Unit J of Section 33, Township 18 South, Range 38 East, until such time as: (i) a standard 160-acre gas spacing unit consisting of the SE/4 of this section, is dedicated to this well in the Tubb formation, Hobbs-Tubb Gas Pool, (ii) the production proceeds from this well in the Tubb and Drinkard formations are reallocated and paid to the owners in these spacing units from the date of first production, and (iii) paid the fines for violations of the Oil and Gas Act, Section 70-2-31 NMSA 1978. Further, applicant seeks a compulsory pooling order including provisions for designation of the applicant as the operator and the removal of Latigo as the operator. The well is located approximately 7 miles West of Hobbs, New Mexico.

CASE 13153: Continued from June 16, 2005, Examiner Hearing

Application of Yates Petroleum Corporation to re-open Case No. 13153 to permit Yates to withdraw its election to participate in further operations on the State "X" Well No. 1 and hereafter be a "non-consenting working interest owner" in the well and, pursuant to the provisions of Order No. R-12108-C, to determine the reasonableness of the actual well costs to be refunded by Pride Energy Company to Yates Petroleum Corporation pursuant to this order, Lea County, New Mexico. Applicant seeks an order (1) authorizing Yates to withdraw its election to participate in further operations by Pride Energy Corporation to re-enter the State "X" Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, and (2) determining the reasonableness of the actual well costs that Yates is entitled to recover from Pride Energy Company pursuant to the provisions of Order No. R-12108-C. Said unit is located approximately 12 miles west northwest of Tatum, New Mexico.

CASE 13518: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Lea and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Devonian production and designated as the North Antelope Ridge-Devonian Gas Pool (Pool Code 97436). The discovery well is the Devon Energy Production Company LP. Mad Dog 15 Federal Com. Well No. 1 (API No. 30-025-36778) located in Unit P of Section 15, Township 23 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 34 EAST, NMPM
Section 15: E/2

(b) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the Southwest Austin-Atoka Gas Pool (Pool Code 97422). The discovery well is the Chesapeake Operating Inc. William 14 Federal Well No. 1 (API No. 30-025-36514) located in Unit E of Section 14, Township 15 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 14: W/2