

CASE 13593: *Continued from December 1, 2005, Examiner Hearing*

Application of Yates Petroleum Corporation for compulsory pooling and an unorthodox oil well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from surface through the Base of the Morrow formation in the following described acreage in Section 2, Township 21 South, Range 22 East: the E/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing unit within that vertical extent which includes but is not limited to the Undesignated West Indian Basin-Morrow Gas Pool; the NE/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent; and the NE/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 Tuco "BHE" State Com Well No. 1 to be drilled 1100 feet from the North line and 660 feet from the East line (Unit A) of said Section 2 to an approximate depth of 9,200 feet. If the well is completed as an oil well it will be at an unorthodox location. 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 8 miles west of Hopkins, Eddy County, New Mexico.

CASE 13604: *Application Of Matrix New Mexico Holdings, L.L.C. To Amend Order No. R-12291 To Modify The Proposed Well Location For The Townsend Well No. 2 To A Non-Standard Location, Lea County, New Mexico.*

Applicant seeks the amendment of Order No. R-12291 entered on February 25, 2005 that pooled uncommitted interests from the surface through the Wolfcamp formation in the SE/4 NE/4 of Section 10, Township 13 South, Range 38 East, 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 Undesignated Bronco-Wolfcamp Pool. Applicant seeks to amend the location of its Townsend Well No. 2 to be drilled at a non-standard location 1475 feet from the North line and 780 feet from the East line of said Section 10 to a depth sufficient to test all formations through the Wolfcamp formation. Said area is located approximately 3 miles southwest of Bronco, Texas.

CASE 13605: *Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, San Juan County, New Mexico.*

Applicant seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Pictured Cliffs formation underlying the NE/4 of Section 5, Township 29 North, Range 13 West, to form a standard 160-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing within this vertical extent including but not limited to the Fulcher Kutz Pictured Cliffs Gas Pool. This unit is to be dedicated to the Wildwood Well No. 1, to be drilled at a standard location 1450 feet from the North line and 1250 feet from the East line in the SE/4 NE/4 of said Section 5 to test the Pictured Cliffs formation at a depth of approximately 1550 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 applicant as operator of the well and, pursuant to NMRA 19.15.1.35, the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located approximately a half mile north of the Farmington Airport, New Mexico.

CASE 13606: *Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, San Juan County, New Mexico.*

Applicant seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Pictured Cliffs formation underlying the SW/4 of Section 5, Township 29 North, Range 13 West, to form a standard 160-acre spacing and proration unit for all formations and/or pools developed on 160-acre spacing within this vertical extent including but not limited to the Fulcher Kutz Pictured Cliffs Gas Pool. This unit is to be dedicated to the Wildwood Well No. 4, to be drilled at a standard location 895 feet from the South line and 1855 feet from the West line in the SE/4 SW/4 of said Section 5 to test the Pictured Cliffs formation at a depth of approximately 1550 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 applicant as operator of the well and, pursuant to NMRA 19.15.1.35, the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located approximately a half mile north of the Farmington Airport, New Mexico.