

DOCKET: EXAMINER HEARING - THURSDAY - NOVEMBER 17, 2005

8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 38-05 and 39-05 are tentatively set for December 1, 2005 and December 15, 2005. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

CASE 13591: *Application of Yates Petroleum Corporation for approval of a Unit Agreement, Lea County, New Mexico.* Applicant seeks approval of the Milsap State Exploratory Unit from the surface to the base of the Mississippian formation in an area comprising 2240 acres of State of New Mexico lands in Sections 25 and 36 in Township 12 South, Range 33 East, Section 31 in Township 12 South, Range 34 East, and in Section 6 in Township 13 South, Range 34 East, which is located approximately 10 miles west of Tatum, New Mexico.

CASE 13592: *Application of Yates Petroleum Corporation for approval of a Unit Agreement, Chaves County, New Mexico.* Applicant seeks approval of the DeHavilland State Exploratory Unit from the surface to the top of the Pre-Cambrian formation in an area comprising 7038.69 acres of State of New Mexico lands in Sections 6, 7, 16, 17, 18, 20, 21, 28, 29, 32, and 33 in Township 5 South, Range 26 East, which is located approximately 12 miles northeast of Elkins, New Mexico.

CASE 13587: *Continued from November 3, 2005, Examiner Hearing*
Application of Lanexco, Inc. for an infill gas well within an un-prorated gas pool [exception to Division Rule 104.D (3)], Lea County, New Mexico. Applicant seeks to simultaneously dedicate the following two wells within a single 80-acre non-standard gas spacing unit comprising the W/2 SW/4 of Section 21, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico (approved by Division Administrative Order NSP-1443), within the un-prorated Hare-San Andres Gas Pool (78080): (i) existing Robert Well No. 1 (API No. 30-025-28664) located at a standard gas well location 990 feet from the South line and 660 feet from the West line (Unit M) of Section 21; and (ii) proposed Robert Well No. 2 (API No. 30-025-36826) located at a standard gas well location 1650 feet from the South line and 660 feet from the West line (Unit L) of Section 21. This unit is located approximately 1.5 miles north-northwest of Jal, New Mexico.

CASE 13593: *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 13558: *Continued from October 20, 2005, Examiner Hearing*
Application of Coleman Oil & Gas, Inc. to amend Order No. R-12201 to extend for one year the production test authorized therein to determine the economic viability of simultaneously producing four existing gas wells on a standard 320-acre spacing unit in the Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico. Applicant seeks the amendment of Order No. R-12201 entered on August 26, 2004, that granted an exception to Rule 7(d) of the Special Pool Rules and Regulations for the Basin-Fruitland Coal Gas Pool and authorized the simultaneous dedication of the S/2 of Section 18, Township 26 North, Range 11 West, NMPM, San Juan County, New Mexico to the following four existing coal gas wells for the purpose of conducting a production test for one year to determine the economic viability of simultaneously producing these wells: