Examiner Hearing – July 10, 2003 Docket No. 20-03 Page 2 of 9

CASE 13089: Continued from June 19, 2003, Examiner Hearing

Application of Mewbourne Oil Company 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 W/2 of Section 9, Township 21 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including but not limited to the Undesignated Alacran Hills-Wolfcamp Gas Pool, Undesignated Burton Flat-Atoka Gas Pool, and Undesignated Burton Flat-Morrow Gas Pool. The unit is to be dedicated to applicant's Foster Draw "9" State Com. Well No. 1, to be drilled at an orthodox location in the SW/4 of Section 9. 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 charge for the risk involved in drilling and completing the well. The unit is located approximately 5½ miles north-northeast of Carlsbad, New Mexico.

Case 13102: Application of Pogo Producing Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Cisco formation underlying the following described acreage in Section 19, Township 20 South, Range 27 East, in the following manner: Lots 1, 2, E/2 SW/4, and the SE/4 (the S/2) to form a standard 320.15-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated McMillan-Wolfcamp Gas Pool; Lots 1, 2, and the E/2 SW/4 (the SW/4) to form a standard 160.15-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent; and Lot 3 to form a standard 40.02-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Southwest McMillan-Wolfcamp Pool. The units are to be dedicated to applicant's State 19 Well Com. No. 2, to be drilled at an orthodox location in Lot 3 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 charge for the risk involved in drilling and completing the well. The units are located approximately 6-1/2 miles southeast of Seven Rivers, New Mexico.

CASE 13076: Continued from June 5, 2003, Examiner Hearing.

Application of Ricks Exploration Inc. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NE/4 SE/4 of Section 35, Township 12 South, Range 38 East, to form a standard 40-acre oil spacing and proration unit for any formations and/or pools developed on 40-acre spacing within that vertical extent, including the Bronco-Wolfcamp Pool. The unit is to be dedicated to the Harris 35 Well No. 1, to be drilled at an orthodox oil well location in the NE/4 SE/4 of Section 35. 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 charge for the risk involved in drilling and completing the well. The unit is located approximately 15 miles east of Tatum, New Mexico.