

CASE 13635: *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 in the NW/4 of Section 5, Township 29 North, Range 13 West, to form a standard 160-acre gas spacing and proration unit for all formations and/or pools developed on 160 acres within that vertical extent, which includes but is not necessarily limited to the Fulcher Kutz-Pictured Cliffs Gas Pool. Said unit is to be dedicated to applicant's proposed Wildwood Well No. 3 to be drilled at a standard gas well location in the NW/4 of said Section 32, at a point 1650 feet from the North line and 1075 feet from the West line to a depth sufficient to test any and all formations to the base of the Pictured Cliffs formation. 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 a charge for risk involved in drilling said well. Said area is located approximately a half a mile north of the airport in Farmington, New Mexico.

CASE 13636: *This case will be dismissed*

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 SE/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. 2, to be drilled at a standard location 1960 feet from the South line and 1750 feet from the East line in the NW/4 SE/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 13598: *Continued from January 5, 2006, Examiner Hearing*

Application of Hudson Oil Company of Texas, William A. Hudson and Edward R. Hudson for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation through the base of the Morrow formation in the following described acreage in Section 12, Township 17 South, Range 31 East: the N/2 to form a standard 320-acre spacing and proration unit for all formations developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Fren-Morrow Gas Pool; 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 Undesignated East Fren-Paddock Pool. Said units are to be dedicated to its Francotte Federal Well No. 1 to be drilled 660 feet from the North and West lines of said Section 12 to an approximate depth of 12,500 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 Hudson Oil Company of Texas as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles east northeast of Maljamar, New Mexico.

CASE 13626: *Application of the New Mexico Oil Conservation Division for a Compliance Order against HEC Petroleum, Inc. imposing civil penalties for the knowing and willful violation of 19.15.2.50.C(2)(b)(i) NMAC, and in the alternative, seeking an order requiring HEC Petroleum, Inc. or RLI Insurance, or both, to plug and abandon the Yager #9, API 30-045-32344, Unit P, Section 20, Township 32 North, Range 6 West, and in the event of non-compliance, authorizing the Oil Conservation Division to plug the well and forfeit the applicable financial assurance. The well is located in San Juan County, New Mexico, approximately 30 miles east/northeast of Aztec, and approximately 3 miles south of the Colorado border.*

CASE 13523: *Continued from December 15, 2005 Examiner Hearing*

Application of the New Mexico Oil Conservation Division for an Order Requiring Spence Energy Company to Properly Plug One Well, Authorizing the Division to Plug Said Well(s) in Default of Compliance by Operator, and Ordering a Forfeiture of Applicable Security, if Any, Lea County, New Mexico. The Applicant seeks an order requiring Spence Energy Company, the operator of one inactive well(s) in Lea County, New Mexico, to properly plug and abandon the same, authorizing the Division to plug said well or wells if the operator fails to do so, forfeiting Operator's plugging security. The affected wells are the following: