Examiner Hearing – December 1, 2005 Docket No. 39-05 Page 3 of 3

CASE 13531: Continued from November 17, 2005, Examiner Hearing

Application of Yates Petroleum Corporation for an Order (1) directing Pride Energy Company to reimburse Yates for the well costs incurred by Yates in its attempt to re-enter the State "X" Well No. 1 (API No. 30-025-01838) located in Section 12, Township 12 South, Range 34 East, NMPM, prior to the time Pride Energy Company assumed operations of the well, (2) directing Pride Energy Company to account for and pay all sums it is now improperly holding pursuant to expired orders of the Division and Commission, and (3) requiring Pride Energy Company to plug and abandon the State "X" Well No. 1, Lea County, New Mexico. Applicant seeks (1) an order directing Pride Energy Company ("Pride") to reimburse Yates for the costs Yates incurred in its re-entry operations on 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, prior to the time Pride assumed operations of the well, (2) an order directing Pride to account to and refund to Yates all of the portion of the estimated share of well costs for the State "X" Well now improperly held by Pride pursuant to expired orders of the Division and Commission, and (3) an order directing Pride to plug and abandon the State "X" Well. Said well and spacing unit are located approximately 12 miles west northwest of Tatum, New Mexico.

CASE 13548: Continued from November 17, 2005 Examiner Hearing

Application of the New Mexico Oil Conservation Division for an Order Requiring UHC New Mexico Corporation to Properly Plug 186 Wells, Authorizing the Division to Plug Said Well(s) in Default of Compliance by Operator, and Ordering a forfeiture of Applicable Security, Chaves, Eddy and Roosevelt Counties, New Mexico. The Applicant seeks an order requiring UHC New Mexico Corporation, the operator of 186 inactive wells in Chaves, Eddy and Roosevelt Counties, New Mexico, to properly plug and abandon the same, and, if Operator fails to do so, authorizing the Division to plug said wells and forfeiting Operator's plugging security.

CASE 13577: Continued from November 17, 2005, Examiner Hearing

Application of the New Mexico Oil Conservation Division for a Compliance Order Against Kevin O. Butler and Associates, Inc. The Division seeks an order requiring operator Kevin O. Butler and Associates, Inc. to perform the work specified in the remediation plan submitted by them and approved by the Oil Conservation Division on January 21, 2005; to perform remediation clean up work for its violations subsequent to March 25, 2004; to terminate Kevin O. Butler & Assoc. Inc.'s operational authority for the South Caprock Queen well #12, API# 30-005-01180, located in Unit Letter L, Section 33, Township 14 South, Range 31 East, in Chaves County, New Mexico; for a Ten Thousand Dollar (\$10,000.00) civil penalty for knowingly and willfully violating Rule 116 [19.15.3.116 NMAC]; and for such other relief as the Director deems appropriate. The affected site is the South Caprock Queen well #12, API# 30-005-01180, located in Unit Letter L, Section 33, Township 14 South, Range 31 East, in Chaves County, New Mexico.