Examiner Hearing – March 2, 2006 Docket No. 08-06 Page 3 of 6

CASE 13629 (Readvertised): Application of Yates Petroleum Corporation for Pool Creation and the Adoption of Special Pool Rules, Lea County, New Mexico.

Applicant seeks creation of a new pool comprised of the SE/4 of Section 26, Township 10 South, Range 34 East, as a result of the discovery of hydrocarbons in the Permo Pennsylvanian formation in its Judson "AUU" State Well No. 2 located 660 feet from the South line and 1980 feet from the East line of said Section 26. Applicant also seeks the adoption of Special Pool Rules and Regulations for the pool including provisions for 160-acre oil spacing and proration units and special well location requirements. This pool is located approximately 10 miles northwest of Tatum, New Mexico.

CASE 13651: Application of Yates Petroleum Corporation for Compulsory Pooling, Eddy County, New Mexico.

Applicant seeks an order pooling all mineral interests from the base of the Delaware formation to 100 feet below the base of the Chester formation at approximately 11,600 feet, less and except the Strawn interval defined as the stratigraphic equivalent of depths from 10,205 feet to 10,662 feet as found on the electric log dated December 27, 1974 in the Burton Flat Deep Unit Well No. 13 located in the SW/4 SE/4 of Section 28, Township 20 South, Range 28 East, in the following described spacing and proration units located in the S/2 of Section 28, Township 20 South, Range 28 East, N.M.P.M., Eddy County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Burton Flat-Morrow Gas Pool, Undesignated Burton Flat-Atoka Gas Pool and the Burton Flat-Wolfcamp Gas Pool; the SW/4 for all formations and/or pools developed on 160-acre spacing which includes but is not necessarily limited to the Undesignated East Avalon-Bone Spring Gas Pool; and the SW/4 SW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not limited to the Undesignated Avalon-Bone Spring Pool. Said units are to be dedicated to its Hedgerow "BFH" State Com Well No. 1 to be drilled at a standard gas well location 660 feet from the South line and 1219 feet from the West line (Unit M) of said Section 28. 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 Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 15 miles northeast of Carlsbad, New Mexico.

CASE 13652: Application of Yates Petroleum Corporation for Compulsory Pooling, Eddy County, New Mexico. (This case will be dismissed.)

Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the S/2 of Section 17, Township 25 South, Range 26 East, in order to form a standard 320-acre gas spacing and proration unit for all formations or pools spaced on 320 acres including but not necessarily limited to the Undesignated Chosa Draw-Morrow Gas Pool, the Undesignated Sage Draw-Wolfcamp Gas Pool and the Undesignated Sage Draw-Atoka Gas Pool; and the SE/4 in order to form a standard 160-acre spacing and proration unit for all formations or pools spaced on 160 acres within this vertical extent. This spacing and proration unit is to be dedicated to the Chosa ATR Federal Com Well No. 3 to be drilled at a standard location 1980 feet from the South line and 1650 feet from the East line in the NW/4 SE/4 of said Section 17 to test the Morrow formation at a depth of approximately 12,150 feet. Also to be considered will the cost of drilling and completion of said well and the allocation of the cost thereof, the 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 16 miles south of Carlsbad, New Mexico.

CASE 13653: Application of BP America Production Company for Compulsory Pooling and Downhole Commingling, San Juan County, New Mexico.

Applicant seeks an order pooling all mineral interests from the surface to the base of the Dakota formation to an approximate depth of 7432 feet in the following described spacing and proration units located in the W/2 of Section 32, Township 31 North, Range 10 East, the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Blanco-Mesaverde Gas Pool and the Basin Dakota-Gas Pool; and the SW/4 for all formations and/or pools developed on 160-acre spacing. Said units are to be dedicated to its EPNG Com B LS Well No. 3M to be drilled at a standard gas well location 2150 feet from the South line and 725 feet from the West line (Unit L) of said Section 32. Applicant also seeks to commingle production from the Mesaverde formation, Blanco-Mesaverde Gas Pool and the Dakota formation, Basin-Dakota Gas Pool in said well. 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 BP America Production Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 15 miles northeast of Farmington, New Mexico.