

CASE 13613: Continued from January 19, 2006, Examiner Hearing

Application of BP America, Inc. for an exception to the well density requirements for the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico. Applicant seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit it to produce the following three Mesaverde wells located in the same quarter section (SE/4) on a standard spacing and proration unit comprised of the East half of Section 19, Township 29 North, Range 8 West, NMPM:

the Hughes B Well No. 2A (API No. 30-045-22716) located 875 from the South line and 1610 feet from the East line (Unit O) of said section;

the Hughes No. 7 Well (API No. 30-045-24032) located 875 feet from the South line and 945 feet from the East line (Unit P) of said section; and

the Hughes B Well No. 2B (API No. 30-045-30937) which was directionally drilled from a surface location 895 feet from the South line and 1650 feet from the East line (Unit O) with a bottomhole location 2350 feet from the South line and 1800 feet from the East line (Unit J) of said section.

Said wells are located approximately 5 miles southwest of Navajo City, New Mexico.

CASE 13614: Continued from January 19, 2006, Examiner Hearing

Application of BP America, Inc. for an exception to the well density requirements for the Blanco-Mesaverde Gas Pool, San Juan County, New Mexico. Applicant seeks an exception to the well density requirements of Rule I.B of the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to permit it to produce the following three Mesaverde wells located in the same quarter section (NW/4) on a standard spacing and proration unit comprised of the West half of Section 14, Township 31 North, Range 11 West:

the Mudge Com B Well No. 2A (API No. 30-045-23063) located 800 feet from the North line and 1580 feet from the West line (Unit C) of said section;

the Mudge B Com Well No. 2 (API No. 30-045-24040) located 1660 feet from the North line and 810 feet from the West line (Unit E) of said section; and

the Mudge B Com Well No. 2M (API No. 30-045-31898) that was directionally drilled from a surface location 2370 feet from the North line and 1680 feet from the West line in the SE/4 NW/4 (Unit F) of Section 14 to a bottomhole location 2634 feet from the North line and 1392 feet from the West line of said section.

Said wells are located approximately 2 miles west of Canyon, New Mexico.

CASE 13631: Readvertised

Application of Read & Stevens, Inc. for approval of a unit agreement, Chaves County, New Mexico. Applicant seeks approval of the R&S Cisco Unit Area, comprising 1270.08 acres of federal and fee lands in Sections 7 and 18, Township 6 South, Range 27 East. The proposed unit area is located approximately 13 miles north of Campbell, New Mexico.

CASE 13633: Continued from January 19, 2006, Examiner Hearing

Application of Bass Enterprises Production Co. 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 N/2 of Section 7, Township 22 South, Range 28 East, for all pools or formations developed on 320 acre spacing within that vertical extent. Also to be considered will be the designation of applicant as operator of the well, allocation of the costs of drilling and completing the well, establishment of overhead and administrative rates together with a provision adjusting said rates pursuant to the COPAS accounting procedure, and a 200% risk charge to be assessed against non-consenting interest owners. The well unit is located east of Carlsbad, New Mexico.