Examiner Hearing – March 16, 2006 Docket No. 09-06 Page 9 of 19

The extension of the following pool in Roosevelt County:

North Chaveroo-Lower Pennsylvanian Gas

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

CASE 13676: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

(a) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for San Andres production and designated as the Foor Ranch-San Andres Gas Pool (Pool Code 97503). The discovery well is the Yates Petroleum Corporation Barracuda State Unit Well No. 1 (API No. 30-005-63679) located in Unit H of Section 5, Township 10 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 27 EAST, NMPM

Section 5: NE/4

(b) EXTEND the Anderson-Pennsylvanian Gas Pool (Pool Code 70200) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 19: S/2

(c) EXTEND the Southeast Cemetery-Morrow Gas Pool (Pool Code 97031) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM

Section 2: Lots 1 thru 16

(d) EXTEND the Cottonwood Creek-Wolfcamp Gas Pool (Pool Code 75250) in Eddy County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 25 EAST, NMPM

Section 27: W/2 Section 28: N/2

(e) EXTEND the West Cottonwood Creek-Wolfcamp Gas Pool (Pool Code 75260) in Eddy County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 24 EAST, NMPM

Section 13: E/2

(f) EXTEND the South Empire-Morrow Gas Pool (Pool Code 76400) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Section 11: All

(g) EXTEND the Fren-Morrow Gas Pool (Pool Code 96663) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Section 9: N/2

(h) EXTEND the Ingle Wells-Delaware Pool (Pool Code 33745) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 10: W/2

Examiner Hearing – March 16, 2006 Docket No. 09-06 Page 10 of 19

(i) EXTEND the Hackberry Hills-Atoka Gas Pool (Pool Code 96239) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM

Section 29: S/2 Section 30: SE/4

(j) EXTEND the West Lusk-Morrow Gas Pool (Pool Code 80840) in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

Section 4: S/2 Section 5: SE/4

(k) EXTEND the Nash Draw-Delaware/Bone Spring (Avalon Sand) Pool (Pool Code 47545) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 30 EAST, NMPM

Section 6: W/2 Section 17: SW/4 Section 19: SW/4 Section 30: E/2 Section 31: N/2

(1) EXTEND the Palma Mesa-Siluro-Ordovician Gas Pool (**Pool Code 82556**) in Chaves County, New Mexico to include:

TOWNSHIP 8 SOUTH, RANGE 27 EAST, NMPM

Section 24: SW/4 Section 25: W/2

(m) EXTEND the P.O.W.-Atoka Gas Pool (Pool Code 97264) in Eddy County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 26 EAST, NMPM

Section 33: All

(n) EXTEND the Poker Lake-Delaware Pool (Pool Code 50382) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM

Section 16: NE/4

(o) EXTEND the Willow Lake-Bone Spring Pool (Pool Code 64450) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM

Section 29: W/2

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

CASE 13677: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Lea and Roosevelt Counties, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico for the production of gas from the Atoka formation and designated as the Northwest Austin-Atoka Gas Pool (Pool Code 97481). The discovery well is the Threshold Development Company Alma 33 State Well No. 1 (API No. 30-025-36668) located in Unit F of Section 33, Township 13 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 35 EAST, NMPM

Section 33: N/2