

CASE NO. 13744: *Application of Williams Production Co. for Horizontal Drilling and an Unorthodox Surface and Bottomhole Location in the Basin-Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.* Applicant seeks an exception to the requirements of Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool to authorize the drilling of its Rosa Unit Well No. 350 as an intentionally deviated horizontal wellbore on a standard coalbed methane gas spacing unit comprised of the N/2 of Section 10, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. The spacing unit will be the Project Area for this horizontal well. The surface location for said well is 1290 feet from the North line and 170 feet from the West line in the offsetting Section 11. The Point of Entry into the Fruitland Coal is 1165 feet from the North line and 315 feet from the East line and the terminus is 660 feet from the North line and 2310 feet from the East line of Section 10. Said area is located approximately 9 miles Southeast of Arboles, Colorado.

CASE NO. 13745: *Application of Williams Production Co. for Horizontal Drilling and an Unorthodox Surface and Bottomhole Location in the Basin-Fruitland Coal Gas Pool, Rio Arriba County, New Mexico.* Applicant seeks an exception to the requirements of Rule 7 of the Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool to authorize the drilling of its Rosa Unit Well No. 382 as an intentionally deviated horizontal wellbore on a standard coalbed methane gas spacing unit comprised of the E/2 of Section 12, Township 31 North, Range 5 West, NMPM, Rio Arriba County, New Mexico. The spacing unit will be the Project Area for this horizontal well. The surface location for said well is 95 feet from the South line and 1415 feet from the East line of said section. The Point of Entry into the Fruitland Coal is 575 feet from the South line and 1555 feet from the East line and the terminus is 1115 feet from the North line and 2630 feet from the East line of the section or approximately 10 feet from the outer boundary of the Project Area for the well. Said area is located approximately 9 miles Southeast of Arboles, Colorado.

CASE NO. 13734: *Continued from June 22, 2006 Examiner Hearing*

Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 34, Township 17 South, Range 23 East, NMPM, Eddy County, New Mexico, to form a standard 320-acre gas spacing and proration unit for any and all formations and or pools developed on 320-acres, including but not necessarily limited to the Wolfcamp formation, undesignated Cottonwood Creek Wolfcamp Pool. Said unit is to be dedicated to Applicant's proposed Chartreuse Spanker Well No. 1H to be drilled from a surface location 400' from the South line and 1880' from the East line and penetrating the producing interval at a point 660' from the South line and 1880' from the East line, to a bottom hole location 660' from the North line and 1880' from the East line of said Section 34. 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 David H. Arrington Oil and Gas, Inc. or its designee as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 6 miles East of Hope, New Mexico.

CASE NO. 13711: *Continued from June 8, 2006 Examiner Hearing*

Application of the New Mexico Oil Conservation Division for an Order Requiring Tempo Energy, Inc. to Plug 1 Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Lea County, New Mexico. The Applicant seeks an order requiring Tempo Energy, Inc. to plug the following well and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
San Simon State #6	30-025-29839	2310 FNL/990 FEL H-4-22S-35E

CASE NO. 13728: *Continued from June 22, 2006 Examiner Hearing*

Application of the New Mexico Oil Conservation Division for an Order Requiring Platinum Exploration Inc. to Properly Plug One Well, Imposing Civil Penalties, Authorizing the Division to Plug Said Well in Default of Compliance by Operator, and Ordering a Forfeiture of the Applicable Financial Assurance, Lea County, New Mexico. The Applicant seeks an order requiring Platinum Exploration Inc. to properly plug and abandon one inactive well in Lea County, New Mexico, imposing civil penalties, authorizing the Division to plug said well if the operator fails to do so, forfeiting Operator's plugging security, if any, and providing for such other relief as the Director deems appropriate. The affected well is: Huber State #1, API #30-025-27290, Lot 1, Section 5, Township 16 South, Range 38 East. The well is located 10-15 miles east of Lovington, in Lea County, New Mexico.

CASE NO. 13720: *Continued from June 22, 2006 Examiner Hearing*

Application of the New Mexico Oil Conservation Division for a Compliance Order Against CBS Operating Corp. The Applicant seeks an order determining that operator knowingly and willfully violated 19.15.9.703 NMAC, imposing civil penalties, requiring operator to bring the wells into compliance with 19.15.9.703 NMAC or plug the wells by a date certain, and in the event of non-compliance, authorizing the Division to forfeit the applicable financial assurance and plug and abandon the wells. The affected wells are: H G Watson, #007 30-015-03293, J-4-18S-29E; Burnham Grayburg San Andres Unit #001A, 30-015-04044, L-2-17S-30E; Burnham Grayburg San Andres Unit #001C, 30-015-04049, P-2-17S-30E; Burnham Grayburg San Andres Unit #003A, 30-015-04058, H-2-17S-30E; Federal KK #003, 30-015-04066, J-3-17S-30E; Federal Q #001, 30-015-04068, 4-3-17S-30E; Federal Q #004, 30-015-04071, F-3-17S-30E; Federal L #002, 30-015-04406, 2-31-17S-30E; North Square Lake Unit 127, 30-015-04949, H-31-16S-31E; Featherstone #005, 30-015-05034, C-2-17S-31E; Federal KK #001, 30-015-20315, P-3-17S-30E; Loco Hills A Federal #002, 30-015-20536, N-10-17S-30E; Loco Hills B Federal #001, 30-015-20537, P-9-17S-30E; Loco Hills A Federal #005, 30-015-20610, L-10-17S-30E; Loco Hills B Federal #005, 30-015-20672, J-9-17S-

30E; North Square Lake Unit #069, 30-015-03925; North Square Lake Unit #145, 30-015-04948, J-31-16S-31E; Artesia State Unit #002D, 30-015-21449, A-23-18S-27E; Artesia State Unit #002, 30-015-21486, L-13-18S-27E; Artesia State Unit #001E, 30-015-21487, B-23-18S-27E. The affected wells are located approximately 10-30 miles east and southeast of Artesia, Eddy County, New Mexico.

CASE NO. 13721: Continued from June 22, 2006 Examiner Hearing

Application of the New Mexico Oil Conservation Division for a Compliance Order Against CBS Operating Corp. The Applicant seeks an order requiring CBS Operating Corp. to bring inactive wells into compliance with 19.15.4.201 NMAC; authorizing the Division to plug said wells in the event of noncompliance and forfeit the applicable financial assurance; imposing civil penalties, and for such other relief as the Director deems appropriate. The affected wells are the following:

Artesia State Unit #001, 30-015-00883, D-13-18S-27E
Constate #001, 30-015-05017, C-36-16S-31E
Cowtown Unit #201, 30-015-01849, M-13-18S-28E
Cowtown Unit #401, 30-015-02037, D-24-18S-28E
Cowtown Unit #402, 30-015-02032, E-24-18S-28E
Featherstone #002, 30-015-05037, F-2-17S-31E
Featherstone #004, 30-015-05039, 4-2-17S-31E
Federal JJ #003, 30-015-20737, N-3-17S-30E
Federal L #004, 30-015-04411, F-31-17S-30E
Federal R #007, 30-015-20695, B-10-17S-30E
HG Watson #006, 30-015-20312, K-4-18S-29E
HG Watson #008, 30-015-03294, O-4-18S-29E
J L Langford #006, 30-015-03362, C-9-18S-29E
Loco Hills A Federal #006, 30-015-10611, D-15-17S-30E
Loco Hills A Federal #007, 30-015-20615, F-15-17S-30E
Loco Hills B Federal #009, 30-015-25110, I-9-17S-30E
North Square Lake Unit, #20, 30-015-04936, B-30-16S-31E
North Square Lake Unit #038, 30-015-04937, G-30-16S-31E
North Square Lake Unit #046, 30-015-04899, G-28-16S-31E
North Square Lake Unit #070, 30-015-20316, P-25-16S-30E
North Square Lake Unit #071, 30-015-03924, P-25-16S-30E
North Square Lake Unit #079, 30-015-04928, P-30-16S-31E
North Square Lake Unit #081, 30-015-04917, N-29-16S-31E
North Square Lake Unit #083, 30-015-04915, P-29-16S-31E
North Square Lake Unit #096, 30-015-04031, A-36-16S-30E
North Square Lake Unit #111, 30-015-04979, B-33-16S-31E
North Square Lake Unit #113, 30-015-04990, D-34-16S-31E
North Square Lake Unit #115, 30-015-10273, B-34-16S-31E
North Square Lake Unit #132, 30-015-04978, E-33-16S-31E
North Square Lake Unit #167, 30-015-04983, N-33-16S-31E
Porcupine AAQ Federal #001, 30-015-25050, N-26-16S-31E
Travis D Federal #012, 30-015-03513, J-17-18S-29E
Travis D Federal #021, 30-015-24709, L-17-18S-29E
Wilson #002, 30-015-05041, J-2-17S-31E

The wells are located approximately 10-30 miles east or southeast of Artesia, in Eddy County, New Mexico.