Examiner Hearing – August 31, 2006 Docket No. 28-06 Page 3 of 4

CASE NO. 13767: Application of Western Minerals & Oil Ltd. for Approval of a Pilot Project for Purposes of Determining Proper Well Density and Well Location Requirements in the South Blanco-Pictured Cliffs Gas Pool, San Juan County. New Mexico. Applicant seeks authorization to conduct a pilot project in the SW/4 of Section 24 by producing the Marron Well No. 6 (API No. 30-045-21323) located in Unit M at a standard location 1520 feet from the South line and 1670 feet from the West line of said Section 24 and its Marron Well No. 1 (API No. 30-045-06310) located in Unit K at an unorthodox well location 380 feet from the South line and 345 feet from the West line in Section 24. Township 27 North, Range 8 West, NMPM in a standard 160-acre spacing unit for the purposes of determining proper well density and well location requirements in the South Blanco-Pictured Cliffs Gas Pool. Said unit is located approximately 12 miles South of Blanco, New Mexico.

CASE NO. 13768: Application of Chevron U.S.A., Inc. for a non-standard gas spacing unit and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks to reinstate the provisions of Division Order No. R-7179, issued in Case No. 7761 on January 5, 1983, that established a 160-acre non-standard gas spacing unit in the Skaggs-Abo Gas Pool (85410) comprising the S/2 NE/4 and the N/2 SE/4 of Section 12, Township 20 South, Range 37 East, for its C. H. Weir "A" Well No. 12 (API No. 30-025-27398) located at an unorthodox gas well location 2307 feet from the North and East lines (Unit G) of Section 12. This unit is located approximately six-and-a-half miles southeast of Monument, New Mexico.

CASE NO. 13763: Continued from August 17, 2006, Examiner Hearing

Application of the New Mexico Oil Conservation Division for an Order Requiring The Edmar Company, LLC to Furnish Financial Assurance, Lea and Eddy Counties, New Mexico. The Applicant seeks an order requiring The Edmar Company, LLC to furnish financial assurance to secure its obligation to plug wells that it operates, or, in default thereof, ordering the wells shut in. The following wells are affected:

Well Name	API No.	Location	
Baum 6 Com #1	30-025-22264	Lea	2-6-14S-33E
Baum 6 Com #2	30-025-28389	Lea	H-6-14S-33E
Baum State Com #1	30-025-22886	Lea	L-4-14S-33E
Polar Bear State #1	30-015-30671	Eddy	K-36-16S-27E
Saunders 28 #1	30-025-26894	Lea	F-28-14S-33E

CASE NO. 13761: Continued from August 17, 2006, Examiner Hearing

Application of Manana Gas, Inc. for an unorthodox gas well location, San Juan County, New Mexico. Applicant seeks to drill and complete its proposed Crooked Seams Well No. 2 (API No. 30-045-33818) in the: (i) Pictured Cliffs formation within either the Undesignated Aztec-Pictured Cliffs Pool (71280) or the Undesignated Fulcher Kutz-Pictured Cliffs Pool (77200): and (ii) Basin-Fruitland Coal (Gas) Pool (71629) at an unorthodox gas well location in both intervals 420 feet from the North line and 1090 feet from the East line (Unit A) of Section 14, Township 30 North, Range 12 West. This well is to be: (i) an infill coal gas well in the Basin-Fruitland Coal (Gas) Pool within an existing standard 320-acre stand-up spacing unit in the E/2 of Section 14, which is currently dedicated to applicant's existing Crooked Seams Well No. 1 (API No. 30-045-32012) located at a standard coal gas well location 716 feet from the South line and 1225 feet from the East line (Unit P) of Section 14; and (ii) the initial Pictured Cliffs gas well within a standard 160-acre unit comprising the NE/4 of Section 14. The proposed well site is located approximately 1.5 miles Northeast of Flora Vista, New Mexico.

CASE NO. 13711: Continued from August 3, 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:

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

CASE NO. 13762: Continued from August 17, 2006, Examiner Hearing

Application of Lynx Petroleum Consultants, Inc. for an adjudicatory hearing, Eddy County, New Mexico. Lynx Petroleum Consultants, Inc. seeks an adjudicatory hearing before the Oil Conservation Division in order for the OCD to consider the objection received from Intrepid Potash to Lynx's application for a permit to drill the Eddy "BD" State No.2 well, located at 660° FNL & 1980° FEL, Section 32, T20S, R30E, Eddy County, New Mexico in a Known Potash Leasing Area. The hearing is set before the Oil Conservation Division on the 17 day of August, 2006.