

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM

Sections 4 through 6: All

Section 9: N/2

The unitized interval includes all formations and contains wells that produce oil and natural gas from many formations and pools including, but not necessarily limited to, the Farmington formation, Fruitland Sand formation (West Kutz-Fruitland Sand Pool, Pinon-Fruitland Sand Pool, and North Pinon-Fruitland Sand Pool), Fruitland Coal formation (Basin-Fruitland Coal (Gas) Pool), Pictured Cliffs formation (Fulcher Kutz-Pictured Cliffs Pool and West Kutz-Pictured Cliffs Pool), Gallup formation (Totah-Gallup Oil Pool, Armenta-Gallup Oil Pool, Pinon-Gallup Oil Pool, Totah-Gallup Pool, Simpson-Gallup Oil Pool, and Cha Cha-Gallup Oil Pool) and Dakota formation (Basin-Dakota Pool). BP also requests authorization, prospectively, for surface commingling of production from additional formations and/or pools within the lands covered by this application in existing and future wells without additional notice or hearing. The center of the unit area is located approximately 5 miles Southeast of Farmington, New Mexico.

CASE NO. 13843: *Application of Parallel Petroleum Corporation for compulsory pooling and unorthodox well location, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the N/2 of Section 19, Township 19 South, Range 21 East, N.M.P.M., Eddy County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Gardner Draw-Morrow Gas Pool. Said unit is to be dedicated to its Drewford's Boombox 1921-19 Com Well No. 1 to be drilled at an unorthodox surface location 165 feet from the East line and 760 feet from the North line, and will penetrate the top of the Wolfcamp formation at a point 660 feet from the East line and 760 feet from the North line and a bottomhole location of 660 feet from the West line and 760 feet from the North line of Section 19, Township 19 South, Range 21 East to an approximate depth of 4350 feet to test any and all formations from the surface to the base of the Wolfcamp. 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 Parallel Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located 12 miles southwest of Hope, New Mexico.

CASE NO. 13709: *Continued from June 8, 2006 Examiner Hearing*

Application of the New Mexico Oil Conservation Division for an Order Requiring K.P. Kauffman Company, 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 K.P. Kauffman Company, Inc. to plug the following well and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Mesa Queen 7 State #1	30-025-29200	660 FSL/1040FEL P-7-16S-32E

CASE NO. 13710: *Continued from May 11, 2006 Examiner Hearing*

Application of the New Mexico Oil Conservation Division for an Order Requiring Roberts SWD, LLC 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 Roberts SWD, LLC to plug the following well and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Keach #1	30-025-34565	467 FSL, 2310 FEL, O-4-20S-38E

CASE NO. 13715: *Continued from June 22, 2006 Examiner Hearing*

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

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Maudie Rickman #1	30-015-21064	2204 FSL/840 FWL L-3-23S-27E

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CONTINUED AND DISMISSED CASES

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: DAVID R. CATANACH, Hearing Examiner

May 11th, 2006

Santa Fe, New Mexico

These matters were dismissed or continued to future hearing dates by DAVID R. CATANACH, Hearing Examiner, New Mexico Oil Conservation Division, on Thursday, May 11th, 2006, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

I N D E X

May 11th, 2006
Continued and Dismissed Cases

PAGE

REPORTER'S CERTIFICATE

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* * *

1 WHEREUPON, the following proceedings were had at
2 8:15 a.m.:

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4 EXAMINER CATANACH: Let's call this hearing to
5 order this morning. This is Docket Number 16-06, May 11th,
6 2006.

7 At this time I will call the continuances and
8 dismissals.

9 On page 1, Case 13,662 is continued to May 25th;
10 Case 13,663 continued to May 25th; Case 13,700 is continued
11 to May 25th; Case 13,701 is dismissed.

12 On page 2, Case 13,702 is continued to May 25th;
13 Case 13,703 continued to May 25th.

14 On page 3, Case 13,704 is continued to June 8th.

15 On page 4, Case 13,708 is dismissed; Case 13,695
16 continued to June 8th.

17 On page 5, Case 13,675 is continued to June 8th;
18 Case 13,709 continued to June 8th; Case 13,710 is continued
19 to December 14th; Case 13,711 continued to June 8th; Case
20 13,712 continued to June 8th; Case 13,713 also continued to
21 June 8th.

22 On page 6, Case 13,714 continued to June 8th; and
23 Case 13,715 continued to June 8th; Case 13,680 is
24 dismissed; Case 13,659 is dismissed; and Case 13,681 is
25 dismissed.

1 And on page 7, Case 13,598 is continued to June
2 the 8th.

3 (Thereupon, these proceedings were concluded at
4 8:16 a.m.)

5 * * *

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12 ORDER MAILED

13 DATE _____
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20 I hereby certify that the foregoing is
21 a complete record of the proceedings in
22 the Examiner's hearing of Case No. _____
23 heard by me on May 11, 2006

24 David R. [Signature], Examiner
25 Oil Conservation Division

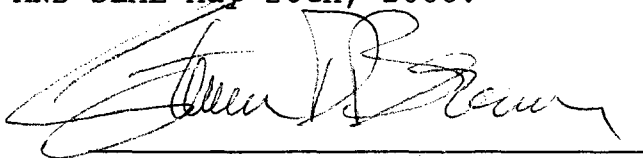
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter
and Notary Public, HEREBY CERTIFY that the foregoing
transcript of proceedings before the Oil Conservation
Division was reported by me; that I transcribed my notes;
and that the foregoing is a true and accurate record of the
proceedings.

I FURTHER CERTIFY that I am not a relative or
employee of any of the parties or attorneys involved in
this matter and that I have no personal interest in the
final disposition of this matter.

WITNESS MY HAND AND SEAL May 26th, 2006.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006