## Examiner Hearing – October 9, 2003 Docket No. 33-03 Page 2 of 16

CASE 13153: Application of Pride Energy Company for Cancellation of a Drilling Permit and Re-instatement of a Drilling Permit, an Emergency Order Halting Operations, and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order canceling one drilling permit and re-instating another drilling permit, ordering operations halted on the well unit, and pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W/2 of Section 12, Township 12 South, Range 34 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Four Lakes-Morrow Gas Pool and Undesignated Four Lakes-Mississippian Gas Pool. The unit is to be dedicated to the existing State "X" Well No. 1, located at an orthodox well location in the SW/4 NW/4 of Section 12. Also to be considered will be the cost of re-entering, deepening, and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a charge for the risk involved in re-entering, deepening, and completing the well. The unit is located approximately 12 miles west-northwest of Tatum, New Mexico.

CASE 13154: Application of Yates Petroleum Corporation for Non-Standard Spacing and Proration Units, Chaves County, New Mexico. Applicant seeks an order creating a non-standard 365.94-acre spacing and proration unit, for all formations and/or pools developed on 320-acre spacing, comprised of Lots 1 through 4 of in irregular Section 36 of Township 9 1/2 South, Range 24 East, and the N/2 of irregular Section 1, Township 10 South, Range 24 East: and a non-standard 181.31-acre spacing and proration unit, for all formations and/or pools developed on 160-acre spacing, comprised of Lots 1 and 2, of irregular Section 36, Township 9 1/2 South, Range 24 East, and Lots 1 and 2 and the S/2 NE/4 of irregular Section 1, Township 10 South, Range 24 East. Yates proposes to dedicate these non-standard spacing units to its Erma Com Well No. 2 to be drilled at a standard location 660 feet from the North and East lines (Unit A) of said Section 1 to a depth sufficient to test all formations from the surface to the Pre-cambrian formation. These non-standard units are located approximately 4 miles northeast of Roswell, New Mexico.

CASE 13155: Application of Mack Energy Corporation for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the following described spacing and proration units in Section 28, Township 17 South, Range 29 East as follows: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not limited to the Grayburg-Morrow Gas Pool and the Undesignated Grayburg-Atoka Gas Pool; the NE/4 for all formations and/or pools developed on 160-acre spacing; the W/2 NE/4 for all formations and/or pools developed on 80-acre spacing which includes but is not necessarily limited to the Undesignated South Empire-Wolfcamp Pool; and the SW/4 NE/4 for all formations and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Empire Abo Pool and the Undesignated Grayburg-Upper Pennsylvanian Pool. Said units are to be dedicated to applicant's Diamondbacks State Well No. 1 to be drilled at a standard location 1980 feet from the North and East lines of said Section 28 to test all formations and/or pools from a depth of 5000 feet to the base of the Ellenberger formation. Also to be considered will 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6 miles west of Loco Hills, New Mexico.

CASE 13156: Application of Chi Energy, Inc. 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 S/2 of Section 30, Township 22 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within that vertical extent, including the South Carlsbad-Morrow Gas Pool and South Carlsbad-Strawn Gas Pool. The unit is to be dedicated to applicant's Spencer A Well No. 2, to be located at an orthodox well location in the NW/4 SW/4 of Section 30. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Chi Operating, Inc. as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 4 miles south of Carlsbad, New Mexico.