

CASE 13103: Continued from October 9, 2003, Examiner Hearing.

Amended Application of V-F Petroleum Inc. for Compulsory Pooling and an Unorthodox Surface Location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 320-acre spacing from a depth of 3,500 feet (the approximate base of the San Andres formation) to the base of the Morrow formation (approximate depth of 11,152 feet) underlying the N/2 of Section 34, Township 18 South, Range 28 East, forming a standard gas spacing and proration unit for any and all formations and/or pools spaced on 320 acres within said vertical extent, which presently includes but is not necessarily limited to the Undesignated North Turkey Track-Morrow Gas Pool.. Said pooled unit is to be dedicated to its Samuel Burns "34" State Well No. 3 located at an unorthodox surface location 450 feet from the North line and 2,100 feet from the East line (Unit B) of said Section 34 that applicant proposes to re-enter and directionally drill to a standard location in the Morrow formation in the NW/4 NE/4 of the section. 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 applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 14 miles southeast of Artesia, New Mexico.

CASE 13163: Continued from October 9, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Saba Energy of Texas, Inc., to Properly Plug Six Wells, Imposing Civil Penalties in Event of Failure to Comply, Authorizing the Division to Plug Said Wells in Default of Compliance by Operator, and Ordering a Forfeiture of Applicable Security, if Any, Lea County, New Mexico. The Applicant seeks an order requiring Saba Energy of Texas, Inc., the operator of six inactive wells in Lea County, New Mexico, to properly plug and abandon the same, imposing civil penalties in event of failure to comply, authorizing the Division to plug said well or wells 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 wells are the following:

Harton State #1	API # 30-025-28540	UL H, Section 7, T13S, R36E
Morris #1	API # 30-025-29247	UL D, Section 8, T13S, R36E
Fern Guye #1	API #30-025-34488	UL M, Section 5, T13S, R36E
Saba State #1	API #30-025-33726	UL I, Section 7, T13S, R36E
San Simon 5 State #1	API #30-025-27564	UL E, Section 5, T22S, R35E
San Simon 5 State #2	API #30-025-28480	UL G, Section 5, T22S, R35E

CASE 13183: 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 classified as a gas pool for Atoka production and designated as the Northeast Caprock-Atoka Gas Pool (**Pool Code 97292**). The discovery well is the Paladin Energy Corporation State EC C Well No. 1 (**API No. 30-025-00104**) located in Unit G of Section 11, Township 12 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 11: N/2

(b) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the Dempster Mill-Atoka Gas Pool (**Pool Code 97299**). The discovery well is the Yates Petroleum Corporation Ray BBR State Well No. 1 (**API No. 30-025-02674**) located in Unit P of Section 25, Township 11 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM
Section 25: E/2

(c) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Mississippian production and designated as the Dempster Mill-Mississippian Gas Pool (**Pool Code 97291**). The discovery well is the Yates Petroleum Corporation Dempster State Unit Well No. 1 (**API No. 30-025-36077**) located in Unit N of Section 30, Township 11 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 36 EAST, NMPM

Section 30: S/2

- (d) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Atoka production and designated as the North Lazy J-Atoka Gas Pool (**Pool Code 97301**). The discovery well is the Asher Enterprises Ltd. Co. Lawton State Well No. 2 (**API No. 30-025-01070**) located in Unit P of Section 10, Township 13 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 33 EAST, NMPM

Section 10: E/2

- (e) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Upper Pennsylvanian production and designated as the South Morton-Upper Pennsylvanian Pool (**Pool Code 97300**). The discovery well is the Permian Resources Inc. Townstar ACS State Well No. 1 (**API No. 30-025-35867**) located in Unit L of Section 18, Township 15 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM

Section 18: SW/4

- (f) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Bone Spring production and designated as the South Ojo Chiso-Bone Spring Pool (**Pool Code 97293**). The discovery well is the BTA Oil Producers Maxus B 8026 JV-P Well No. 3 (**API No. 30-025-30661**) located in Unit B of Section 34, Township 22 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 34 EAST, NMPM

Section 34: NE/4

- (g) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Chester production and designated as the South Ranger Lake-Chester Gas Pool (**Pool Code 97296**). The discovery well is the Yates Petroleum Corporation Mocha State Unit Well No. 2 (**API No. 30-025-36097**) located in Unit N of Section 33, Township 12 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM

Section 33: S/2

- (h) CREATE a new pool in Lea County, New Mexico classified as a gas pool for Lower Mississippian Lime production and designated as the South Ranger Lake-Lower Mississippian Lime Gas Pool (**Pool Code 97295**). The discovery well is the Yates Petroleum Corporation Slick AZU State Com. Well No. 1 (**API No. 30-025-01868**) located in Unit C of Section 1, Township 13 South, Range 34 East, NMPM. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM

Section 1: N/2

- (i) CREATE a new pool in Lea County, New Mexico classified as an oil pool for Upper Pennsylvanian production and designated as the West Shoe Bar-Upper Pennsylvanian Pool (**Pool Code 97297**). The discovery well is the TMBR/Sharp Drilling Inc. State 5 Well No. 1 (**API No. 30-025-35040**) located in Unit G of Section 5, Township 17 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 5: NE/4

- (j) EXTEND the Allison-San Andres Pool (**Pool Code 01190**) in Roosevelt County, New Mexico to include:

TOWNSHIP 8 SOUTH, RANGE 36 EAST, NMPM

Section 36: SE/4

- (k) EXTEND the Southeast Dean-Wolfcamp Pool (Pool Code 97005) in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 2: SW/4

Section 10: NE/4

Section 11: NW/4

- (l) EXTEND the Diamond-Strawn Pool (Pool Code 96248) in Lea County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 15: NW/4

- (m) EXTEND the Southwest Diamondtail-Delaware Pool (Pool Code 96916) in Lea County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 28: W/2

- (n) EXTEND the North Eidson-Morrow Gas Pool (Pool Code 76360) in Lea County, New Mexico to include:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM

Section 22: S/2

Section 27: NE/4

Section 28: W/2 and SE/4

Section 29: N/2

Section 30: N/2

- (o) EXTEND the Grassland-Austin Gas Pool (Pool Code 97235) in Lea County, New Mexico to include:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM

Section 21: S/2

Section 22: SW/4

Section 28: W/2

- (p) EXTEND the Hardy-Tubb-Drinkard Pool (Pool Code 29760) in Lea County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM

Section 12: NE/4

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM

Section 7: NW/4

- (q) EXTEND the Northwest Hobbs-Abo Pool (Pool Code 97212) in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 13: SE/4

- (r) EXTEND the Northwest Hobbs-Drinkard Pool (Pool Code 97184) in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 13: SE/4

- (s) EXTEND the Northwest Hobbs-Tubb Pool (Pool Code 97211) in Lea County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 37 EAST, NMPM

Section 13: SE/4

- (t) EXTEND the House-Drinkard Pool (**Pool Code 33250**) in Lea County, New Mexico to include:
TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
Section 18: S/2
- (u) EXTEND the House-San Andres Pool (**Pool Code 33440**) in Lea County, New Mexico to include:
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 14: NW/4
TOWNSHIP 20 SOUTH, RANGE 39 EAST, NMPM
Section 17: SW/4
- (v) EXTEND the East Livingston Ridge-Delaware Pool (**Pool Code 39366**) in Lea County, New Mexico to include:
TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 19: SW/4
- (w) EXTEND the Monument-Tubb Pool (**Pool Code 47090**) in Lea County, New Mexico to include:
TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
Section 27: SE/4
Section 34: NE/4
- (x) EXTEND the West Nadine-Paddock-Blaine Pool (**Pool Code 47400**) in Lea County, New Mexico to include:
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 17: SW/4
Section 18: NE/4
- (y) EXTEND the West Nadine-Tubb Pool (**Pool Code 47530**) in Lea County, New Mexico to include:
TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 17: SW/4
- (z) EXTEND the North Quail Ridge-Morrow Gas Pool (**Pool Code 83320**) in Lea County, New Mexico to include:
TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 8: E/2
- (aa) EXTEND the San Simon-Yates Pool (**Pool Code 53770**) in Lea County, New Mexico to include:
TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 9: W/2
- (bb) EXTEND the Shoe Bar-Atoka Gas Pool (**Pool Code 85210**) in Lea County, New Mexico to include:
TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 16: W/2
- (cc) EXTEND the North Shoe Bar-Morrow Gas Pool (**Pool Code 96882**) in Lea County, New Mexico to include:
TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 1: Lots 3, 4, 5, 6, 11, 12, 13 and 14

- (dd) EXTEND the Skaggs-Drinkard Pool (Pool Code 57000) in Lea County, New Mexico to include:
TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
Section 36: N/2 and SE/4
- (ee) EXTEND the Northwest Skaggs-Drinkard Pool (Pool Code 96768) in Lea County, New Mexico to include:
TOWNSHIP 19 SOUTH, RANGE 37 EAST, NMPM
Section 35: NE/4
- (ff) EXTEND the Tonto-Bone Spring Pool (Pool Code 59475) in Lea County, New Mexico to include:
TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 16: SE/4
Section 21: N/2
- (gg) EXTEND the Tonto-Seven Rivers Pool (Pool Code 59470) in Lea County, New Mexico to include:
TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 10: SW/4
- (hh) EXTEND the Townsend-Mississippian Gas Pool (Pool Code 86380) in Lea County, New Mexico to include:
TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 9: S/2
Section 10: W/2
- (ii) EXTEND the Townsend-Morrow Gas Pool (Pool Code 86400) in Lea County, New Mexico to include:
TOWNSHIP 16 SOUTH, RANGE 35 EAST, NMPM
Section 12: S/2
Section 23: SE/4
- (jj) EXTEND the Trinity-Wolfcamp Pool (Pool Code 59890) in Lea County, New Mexico to include:
TOWNSHIP 12 SOUTH, RANGE 38 EAST, NMPM
Section 23: SW/4
- (kk) EXTEND the South Tulk-Upper Wolfcamp Pool (Pool Code 60620) in Lea County, New Mexico to include:
TOWNSHIP 15 SOUTH, RANGE 35 EAST, NMPM
Section 18: SW/4
- (ll) EXTEND the North Vacuum-Abo Pool (Pool Code 61760) in Lea County, New Mexico to include:
TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 6: NW/4

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