Examiner Hearing – May 17, 2001 Docket No. 16-01 Page 2 of 13

CASE 12657:

Application of Cross Timbers Oil Company for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the SE/4 of Section 35, Township 31 North, Range 12 West, to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent, including but not limited to the Undesignated Flora Vista-Fruitland Sand Pool and Undesignated Aztec-Pictured Cliffs Gas Pool. The unit is to be dedicated to applicant's Oliver Unit Well No. 1, to be drilled at an orthodox gas well location in the SE/4 of Section 35. 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 Cross Timbers Operating Company 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 north-northeast of Flora Vista, New Mexico.

CASE 12658:

Application of Cross Timbers Oil Company for unit expansion, Lea County, New Mexico.

Applicant seeks an order expanding the Southeast Maljamar Grayburg-San Andres Unit to cover the Maljamar Grayburg-San Andres Pool underlying parts of Sections 29, 30, 32, and 33, Township 17 South, Range 33 East, comprising 1320 acres, more or less, of state and federal lands. The unit is centered approximately 6 miles Southeast of Maljamar, New Mexico.

CASE 12606:

Continued from April 19, 2001, Examiner Hearing.

Application of Echo Production, 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 E/2 of Section 27, Township 20 South, Range 21 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 but not limited to the Undesignated Little Box Canyon-Morrow Gas Pool. The unit is to be dedicated to applicant's Little Feat "27" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SE/4 of Section 27. 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 applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The unit is located approximately 18½ miles south-southwest of Hope, New Mexico.

CASE 12566:

Continued from April 19, 2001, Examiner Hearing.

Application of KCS Medallion Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 NE/4 of Section 24, Township 18 South, Range 30 East, to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent, including but not limited to the Undesignated North Shugart-Bone Spring Pool. The unit will be dedicated to applicant's Shugart West Fed. 24 Well No. G-2, to be drilled at an orthodox location in the SW/4 NE/4 of Section 24. 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 applicant as operator of the well, and a charge for the risk involved in drilling the well. The unit is located approximately 7 miles southeast of Loco Hills, New Mexico.

DOCKET: EXAMINER HEARING - THURSDAY - May 17, 2001 8:15 A.M. - 1220 South St. Francis Santa Fe, New Mexico

Docket Nos. 18-01 and 19-01 are tentatively set for May 31, 2001 and June 14, 2001. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 12646: Continued from May 3, 2001, Examiner Hearing.

Application of Strata Production Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 160-acre spacing underlying the NW/4 of Section 15, Township 24 South, Range 34, East. Applicant proposes to dedicate the above-described spacing or proration unit to its Buckeye No. 1 well to be reentered at a standard location 660 feet from the North line and 1980 feet from the West line of Section 15, to a depth sufficient to test any and all formations down to the base of the Bone Spring Formation.

CASE 12536: Continued from April 19, 2001, Examiner Hearing. This case will be dismissed.

Application of Concho Resources, 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 following described acreage in Section 32, Township 18 South, Range 24 East, and in the following manner: The S½ to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Antelope Sink-Morrow Gas Pool; and the SW¼ to form a standard 160-acre gas spacing and proration unit for any formations and/or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to applicant's Southern Cross 32 State Com. Well No. 1, to be located 1650 feet from the South line and 1980 feet from the West line (Unit K) of Section 32. 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 applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately $10\frac{1}{2}$ miles southeast of Hope, New Mexico.

CASE 12654: Continued from May 3, 2001, Examiner Hearing.

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 following described acreage in Section 9, Township 22 South, Range 25 East, in the following manner: The W/2 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 Revelation-Strawn Gas Pool and Undesignated Revelation-Morrow Gas Pool, the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within that vertical extent; and the NE/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to applicant's In Bounds Well No. 1, to be drilled at an orthodox location in the NE/4 SW/4 of Section 9. 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 applicant as operator of the well, and a charge for the risk involved in drilling and completing the well. The units are located approximately 10½ miles west-southwest of Carlsbad, New Mexico.