

CASE 13236: *Continued from April 29, 2004, Examiner Hearing.*

Application of Preston Exploration, L.L.C. for compulsory pooling, Eddy County New Mexico. Applicant seeks an order pooling all mineral interests in the Strawn formation, (Eagle Creek Strawn Gas Pool), Atoka and Morrow formations, (Eagle Creek East Atoka-Morrow Gas Pool) and the Pennsylvanian formation (Eagle Creek Permo-Pennsylvanian Gas Pool) underlying the N/2 of Section 29, Township 17 South, Range 26 East to form standard 320-acre gas spacing and proration units for any and all formations and/or pools developed on 320-acre spacing within that vertical extent. The units are to be dedicated to applicant's Roughneck Red 29 Corn Well No. 1 to be located at a standard gas well location 1480 feet from the North line and 1980 feet from the West line of said Section 29. 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 200% charge for the risk involved in drilling and completing the well. The units are to be located approximately 8 miles southeast of Artesia, New Mexico.

CASE 13263: *Application of Paladin Energy Corporation for Compulsory Pooling, Lea County, New Mexico.*

Applicant seeks an order pooling all uncommitted mineral interests in all formations below the base of the Devonian formation underlying the S/2 of Section 26, Township 18 South, Range 35 East, to form a standard 320-acre spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent for a wildcat gas well in the McKee formation. This unit is to be dedicated to the South Vacuum 26 Well No. 1, an abandoned Devonian oil well located 660 feet from the South and West lines (Unit M) of Section 26. Applicant proposes to deepen and sidetrack the well in a northeasterly direction to a bottom-hole location no further than 1380 feet from the South and West lines and at a depth sufficient to test the McKee formation. Also to be considered will be the cost of deepening and re-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, pursuant to NMRA 19.15.1.35, the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located approximately 18 miles west of Hobbs and 14 miles south of Buckeye, New Mexico

CASE 13264: *Application of Devon Energy Production Company, L.P. for Compulsory Pooling, Lea County, New Mexico.*

Applicant seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the following described acreage in Section 9, Township 23 South, Range 34 East, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Northeast Bell Lake-Devonian Gas Pool. The unit is to be dedicated to the Rio Blanco "9" Well No. 1, which will be located at a standard location in the NW/4 NW/4 (Unit D) of the section. 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 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 20 miles southwest of Eunice, New Mexico.

CASE 13265: *Application of Chesapeake Operating, Inc. for Compulsory Pooling, Lea County, New Mexico.*

Applicant seeks an order pooling all mineral interests from the surface to the base of the Strawn formation underlying the E/2 SE/4 of Section 5, Township 17 South, Range 37 East, forming a standard 80-acre oil spacing and proration unit for any production from these formations, including but not limited to the Shipp-Strawn Pool. This unit is to be dedicated to its Roueche "5" Well No. 1 which is being drilled at an unorthodox well location in Unit P (approved by Administrative Order NSL-5012, dated March 10, 2004). Also to be considered will be the costs of drilling and completing well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a risk charge of 200% for the risk involved in this well. This unit is located approximately 9-1/2 miles Northwest of Hobbs, New Mexico.

CASE 13266: *Application of Chesapeake Permian, L.P. for Compulsory Pooling, Lea County, New Mexico.*

Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the SW/4 SE/4 of Section 23, Township 12 South, Range 38 East, forming a standard 40-acre oil spacing and proration unit for any production from any and all formations/pools developed on 40-acre spacing within that vertical extent including the Trinity-Wolfcamp Pool. This unit is to be dedicated to its Burrus "23" Federal Well No. 1 that is to be drilled at a standard location in Unit O of this section. Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Chesapeake Operating, Inc. as the operator of the well and, pursuant to Commission Order R-11992, a risk charge of 200% for the risk involved in this well. This unit is located approximately 14 miles east of Tatum, New Mexico.