

CASE 13312: Continued from July 22, 2004, Examiner Hearing

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 Seven Rivers formation underlying the SE/4 SW/4 of Section 13, Township 19 South, Range 33 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 but not limited to the Tonto (Seven Rivers) Pool. This unit is to be dedicated to its La Rica "13" Federal Well No. 2 that is to be drilled at a standard well location in Unit N 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-1 1992, a risk charge of 200% for the risk involved in this well. This unit is located approximately 26 miles west of Hobbs, New Mexico.

CASE 13321: In the matter of the hearing called by the Oil Conservation Division for an order creating, contracting, and extending certain pools in Chaves and Eddy Counties, New Mexico.

(a) CREATE a new pool in Chaves County, New Mexico classified as a gas pool for Wolfcamp production and designated as the Coyote-Wolfcamp Gas Pool (Pool Code 97361). The discovery well is the Elk Oil Company Cobra Federal Com. Well No. 1 (API No. 30-005-63642) located in Unit B of Section 19, Township 11 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 11 SOUTH, RANGE 27 EAST, NMPM
Section 19: E/2

(b) CONTRACT the Southwest Avalon-Wolfcamp Pool (Pool Code 97068) in Eddy County, New Mexico by the deletion of the following described area:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 34: S/2

(c) EXTEND the Southwest Avalon-Wolfcamp Pool (Pool Code 97068) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 32: S/2

(d) EXTEND the Cemetery-Morrow Gas Pool (Pool Code 74640) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 22: E/2

(e) EXTEND the Cemetery-Wolfcamp Gas Pool (Pool Code 74680) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 33: S/2

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 3: Lots 1 through 8

(f) EXTEND the Foor Ranch-Wolfcamp Gas Pool (Pool Code 76750) in Chaves County, New Mexico to include:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 10: NE/4
Section 11: N/2

(g) EXTEND the North Hackberry-Morrow Gas Pool (Pool Code 96785) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 25: N/2

- (h) EXTEND the North Illinois Camp-Morrow Gas Pool (Pool Code 78890) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 28 EAST, NMPM
Section 20: S/2

- (i) EXTEND the Indian Basin-Upper Pennsylvanian Associated Pool (Pool Code 33685) in Eddy County, New Mexico to include:

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Section 35: E/2

- (j) EXTEND the Kennedy Farms-Morrow Gas Pool (Pool Code 79520) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 34: S/2

- (k) EXTEND the Logan Draw-Atoka Gas Pool (Pool Code 80370) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM
Section 15: E/2 and SW/4

- (l) EXTEND the Los Medanos-Bone Spring Pool (Pool Code 40295) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 30 EAST, NMPM
Section 36: NW/4

- (m) EXTEND the East Millman-Yates-Seven Rivers-Queen-Grayburg-San Andres Pool (Pool Code 46555) in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 8: NW/4

- (n) EXTEND the Southeast Revelation-Strawn Gas Pool (Pool Code 96924) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM
Section 25: N/2

- (o) EXTEND the West Sand Dunes-Delaware Pool (Pool Code 53815) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 4: NE/4

- (p) EXTEND the Southwest Willow Lake-Delaware Pool (Pool Code 96855) in Eddy County, New Mexico to include:

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM
Section 3: NE/4

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