

CASE 13381: Continued from February 17, 2005, 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 17, Township 22 South, Range 27 East, and in the following manner: The S/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 Undesignated East Carlsbad-Wolfcamp Gas Pool, South Carlsbad-Strawn Gas Pool, and South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre spacing within that vertical extent, including the Undesignated South Carlsbad-Cherry Canyon Pool. The units are to be dedicated to the proposed Kodiak Well No. 1, to be drilled at an orthodox location in the NE/4 SE/4 (Unit I) of Section 17. 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 200% charge for the risk involved in drilling and completing the well. The units are located approximately 2 miles south-southwest of Otis, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 13411: Continued from March 3, 2005 Examiner Hearing.

Application of Primero Operating, Inc. for an exception to Division Rule 104.D(3), Chaves County, New Mexico. Applicant seeks an exception to Division Rule 104.D(3) in order to simultaneously dedicate production attributed to the West Cato-San Andres Gas Pool (Pool Code 74445) within an existing 160-acre standard shallow gas spacing unit comprising the NE/4 of Section 7, Township 8 South, Range 30 East, from the following two wells: (i) C.L. O'Brien Well No. 1 (API No. 30-005-00475), located at a standard gas well location 660 feet from the North and East lines (Unit A) of Section 7; and (ii) C.L. O'Brien Well No. 2 (API No. 30-005-20897), also located at a standard gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 7. The unit is located approximately 9 miles southeast of Elkins, New Mexico.

CASE 13450: Application of OGX Resources LLC 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 19, Township 24 South, Range 28 East, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent. The unit is dedicated to the Pardue 19 Fed. Com. Well No. 1, located 1980 feet from the South line and 660 feet from the East line of Section 19. Also to be considered will be the cost of re-entering 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 re-entering and completing the well. The unit is located approximately 3½ miles southwest of Malaga, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE 13428: Continued from February 17, 2005, Examiner Hearing

Application of OGX Resources LLC 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 29, Township 24 South, Range 28 East, and in the following manner: The S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent; and the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to the Second Chance Fed. Com. Well No. 1, to be located at an orthodox well location in the SE/4 SE/4 of 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 located approximately 3½ miles south-southwest of Malaga, New Mexico.