

1-4 of Section 4, Township 19 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying Lot 4 of Section 3 and Lots 1-4 of Section 4 to form a non-standard 201.99 acre oil spacing and proration unit (project area) for any pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Intrepid 3 Fed. Well No. 1, a horizontal well to be drilled at a surface location in Lot 3 of Section 3, with a terminus in Lot 4 of Section 4. 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 8-1/2 miles South of Loco Hills, New Mexico.

9. **CASE 14524:** (Continued from the February 17, 2011 Examiner Hearing.)

Application of Chi Operating, Inc. for an unorthodox well location, Eddy County, New Mexico. Applicant seeks an order approving an unorthodox location in the Delaware formation (Benson-Delaware Pool) for its proposed Munchkin Fed. Well No. 22, to be drilled at a surface location 750 feet from the North line and 1805 feet from the West line, to a bottomhole location 750 feet from the North line and 2620 feet from the West line, of Section 12, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The NE/4 NW/4 of Section 12 will be dedicated to the well. The well unit is located approximately 10 miles South-Southeast of Loco Hills, New Mexico.

10. **CASE 14609:** (Continued from the March 3, 2011 Examiner Hearing.)

Application of Devon Energy Production Company, L.P. for pool creation, a discovery allowable, and special pool rules, Eddy County, New Mexico. Applicant seeks an order (a) creating a new pool for production of oil from the Bone Spring formation, to be named the Southeast Big Sinks-Bone Spring Pool, comprising all of Section 10, Township 26 South, Range 31 East, N.M.P.M., (b) granting applicant a discovery allowable, and (c) establishing special rules and regulations for the pool, including a gas:oil ratio of 5,000 cubic feet of gas for each barrel of oil produced. The discovery well for the pool is the Snapping 10 Fed. Well No. 1 (API No. 30-015-37899), a horizontal well drilled at a location 330 feet from the North line and 1980 feet from the East line, and a bottom hole location 330 feet from the South line and 1980 feet from the East line, of Section 10. Applicant requests that the pool rules be made effective retroactive to the date of first Bone Spring production from the discovery well. The proposed pool is located approximately 22 miles Southeast of Malaga, New Mexico.

11. **CASE 14569:** (Continued from the March 3, 2011 Examiner Hearing.)

Application of Devon Energy Production Company, L.P. for Designation of a Non-standard Spacing Unit and for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order consolidating the 40-acre spacing units within the N/2 N/2 of Section 15, Township 18 South Range 32 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Bone Spring formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Bone Spring formation underlying the N/2 N/2 of said Section 15 to be dedicated to its Shinnery 15 Federal No. 2-H Well to be drilled horizontally from a surface location 660' from the North line and 330' from the East line to a bottomhole location 660' from the North line and 330' from the West line to a depth sufficient to test the Bone Spring formation. 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 Devon Energy Production Company, L.P. as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately seven miles South of Maljamar, New Mexico.

12. **CASE 14570:** (Continued from the March 3, 2011 Examiner Hearing.)

Application of Devon Energy Production Company, L.P. for Designation of a Non-standard Spacing Unit and for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order consolidating the 40-acre spacing units within the S/2 N/2 of Section 15, Township 18 South Range 32 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Bone Spring formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Bone Spring formation underlying the S/2 N/2 of said Section 15 to be dedicated to its West Shinnery 15 Federal Com No. 3-H Well to be drilled horizontally from a surface location 1980' from the North line and 330' from the East line to a bottomhole location 1980' from the North line and 330' from the West line and to a depth sufficient to test the Bone Spring formation. 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 Cimarex Energy Co. as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately seven miles South of Maljamar, New Mexico.

13. **CASE 14551:** (Continued from the March 3, 2011 Examiner Hearing.)

Application of Nadel and Gussman Permian, L.L.C. for approval of four non-standard oil spacing and proration units and compulsory pooling, Eddy County, New Mexico. Nadel and Gussman Permian, L.L.C. seeks an order approving four 160-acre non-standard oil spacing and proration units (project areas) in the Bone Spring formation comprised of the following lands in Section 12, Township 26 South, Range 29 East, NMPM:

- (a) The N/2 N/2, to be dedicated to the Picou Fed. Well No. 1, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the NW/4 NW/4, of Section 12;
- (b) The S/2 N/2, to be dedicated to the Picou Fed. Well No. 2, a horizontal well with a surface location in the SE/4 NE/4, and a

terminus in the SW/4 NW/4, of Section 12;

(c) The N/2 S/2, to be dedicated to the Picou Fed. Well No. 3, a horizontal well with a surface location in the NE/4 SE/4, and a terminus in the NW/4 SW/4, of Section 12; and

(d) The S/2 S/2, to be dedicated to the Picou Fed. Well No. 4, a horizontal well with a surface location in the SE/4 SE/4, and a terminus in the SW/4 SW/4, of Section 12.

Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the four non-standard spacing and proration units (project areas) for all pools or formations developed on 40 acre spacing within that vertical extent. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The units are located approximately 14 miles Southeast of Malaga, New Mexico.

14. **CASE 14583: (Continued and Advertised) (Continued from the February 17, 2011 Examiner Hearing.)**
Application of Farleigh Oil Properties for a compliance order against SWEPI LP and Shell Exploration and Production Company, Guadalupe County, New Mexico. Applicant requests an order requiring SWEPI LP and Shell Exploration and Production Company to comply with Division reporting requirements, including, *inter alia*, NMAC 19.15.5.10.B, NMAC 19.15.7.10, and NMAC 19.15.7.16, and Forms C-105 and C-115, with respect to the following wells:

- (a) Latigo Ranch 2-34
API No. 30-019-20136
§34-11N-23E

Located approximately 8-1/2 miles North-Northwest of Cuervo, New Mexico

- (b) Latigo Ranch 3-5
API No. 30-019-20137
§5-10N-23E

Located approximately 9 miles Northwest of Cuervo, New Mexico

- (c) Latigo Ranch 3-3
API No. 30-019-20138
§3-10N-23E

Located approximately 7 miles Northwest of Cuervo, New Mexico

- (d) Webb 3-23
API No. 30-019-20135
§23-11N-23E

Located approximately 9-1/2 miles North-Northwest of Cuervo, New Mexico

- (e) Webb CD 1
API 30-019-20134
§25-11N-23E

Located approximately 8 miles North-Northwest of Cuervo, New Mexico.