## Examiner Hearing -April 28, 2011 Docket No. 10-11 Page 2 of 8

Mancos Shale formation, WC Tierra Amarilla Mancos Oil Pool (97767):

Montano No. 1 Well API No. 30-39-30858 939' FNL and 207' FWL (D) Projected Section 3, T27N, R4E Rio Arriba County, New Mexico

The well and lands are located approximately 1.5 miles Northeast of Las Nutrias, New Mexico.

3. <u>CASE 14629</u>: Application of Blue Dolphin Production, LLC for Compulsory Pooling, Rio Arriba County, New Mexico.

Applicant seeks an order for the compulsory pooling of all interests in all pools or formations developed on 40-acre spacing within the Mancos Shale formation underlying a non-standard oil well spacing and proration unit comprised of 21.0 ± acres located in the approximate E/2 SW/4 NE/4 of projected Section 27, Township 30 North, Range 1 East in Rio Arriba County, New Mexico. The unit will be dedicated to the following well to be drilled to the Greenhorn member of the undesignated Mancos Shale formation, (WC30N1E27):

Theis Greenhorn Test Well No. 1 1643' FNL and 1575' FEL (G) Projected Section 27, T30N, R1E Rio Arriba County, New Mexico

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 Applicant as operator and a charge for the risk involved in drilling the well. The well and lands are located approximately one-half mile South of Horse Lake, New Mexico.

- 4. <u>CASE 14630</u>: Application of Lime Rock Resources A, L.P. for compulsory pooling and non-standard spacing and proration unit, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface of the earth to test the Cherry Canyon formation underlying the S/2 SW/4 of Secton 10, Township 25 South, Range 28 East, N.M.P.M., Eddy County, New Mexico. Applicant proposes to horizontally drill its Shrike State Well No. 2 H to be located at a surface location of 400 FSL and 2590 FWL and bottom hole location of 400 FSL and 330 FWL of said Section 10. Applicant seeks to dedicate the S/2 SW/4 of Section 10 to the well to form a non-standard 80 acre spacing and proration unit for any formations and/or pools developed on 80 acre or less within the vertical extent, including the Cherry Canyon formation. The subject lands are located approximately 6 miles South of Malaga, New Mexico.
- 5. CASE 14631: Application of Cimarex Energy Co. for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order consolidating the four 40-acres spacing units within the E/2 E/2 of Section 33, Township 19 South, Range 32 East and designating the consolidated units as a 160-acre non-standard oil spacing and proration unit for a well locations in the Bone Springs formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interest in the Bone Springs formations, including the South Lusk-Bone Springs Pool (code 41460), underlying the E/2 E/2 of this section to be dedicated to its Southeast Lusk "33" Federal Com Well No. 2-H to be drilled horizontally from a surface location (Unit A) 530 feet FNL and 737 feet FEL to a bottom hole location (Unit P) 330 feet FSL and 660 feet FEL within this section and to a depth sufficient to test the Bone Springs formation. Also to be considered will be the costs of the drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. as the operator of the well a risk charge of 200% for the risk involved in this well. This unit is located approximately five miles Northeast of the intersection of US Highway 62/180 and State Highway 176, New Mexico.
- 6. CASE 14632: Application of Cimarex Energy Co. for a Non-Standard Spacing and Proration Unit, an Unorthodox Surface Location and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order consolidating the four 40-acres spacing units within the W/2 E/2 of Section 33, Township 19 South, Range 32 East and designating the consolidated units as a 160-acre non-standard oil spacing and proration unit for a well locations in the Bone Springs formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interest in the Bone Springs formations, including the South Lusk-Bone Springs Pool (code 41460), underlying the W/2 E/2 of this section to be dedicated to its Southeast Lusk "33" Federal Com Well No. 3-H to be drilled horizontally from an unorthodox surface location (Unit B) 25 feet FNL and 2460 feet FEL to a bottom hole location (Unit O) 330 feet FSL and 1980 feet FEL within this section and to a depth sufficient to test the Bone Springs formation. Also to be considered will be the costs of the drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. as the operator of the well a risk charge of 200% for the risk involved in this well. This unit is located approximately five miles Northeast of the intersection of US Highway 62/180 and State Highway 176, New Mexico.
- 7. \*\*CASE 14633\*\* Application of Cimarex Energy Co. for a Non-Standard Spacing and Proration Unit, an Unorthodox Surface Location and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order consolidating the four 40-acres spacing units within the E/2 W/2 of Section 33, Township 19 South, Range 32 East and designating the consolidated units as a 160-acre non-standard oil spacing and proration unit for a well locations in the Bone Springs formation for Applicant's horizontal drilling project

## Examiner Hearing –April 28, 2011 Docket No. 10-11 Page 3 of 8

area. Applicant further seeks the compulsory pooling of all interest in the Bone Springs formations, including the South Lusk-Bone Springs Pool (code 41460), underlying the E/2 W/2 of this section to be dedicated to its Southeast Lusk "33" Federal Com Well No. 4-H to be drilled horizontally from an unorthodox surface location (Unit C) 190 feet FNL and 2105 feet FWL to a standard bottom hole location (Unit N) 330 feet FSL and 1980 feet FWL within this section and to a depth sufficient to test the Bone Springs formation. Also to be considered will be the costs of the drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. as the operator of the well a risk charge of 200% for the risk involved in this well. This unit is located approximately five miles Northeast of the intersection of US Highway 62/180 and State Highway 176, New Mexico.

- 8. CASE 14634: Application of Cimarex Energy Co. for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order consolidating the four 40-acres spacing units within the W/2 W/2 of Section 33, Township 19 South, Range 32 East and designating the consolidated units as a 160-acre non-standard oil spacing and proration unit for a well locations in the Bone Springs formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interest in the Bone Springs formations, including the South Lusk-Bone Springs Pool (code 41460), underlying the W/2 W/2 of this section to be dedicated to its Southeast Lusk "33" Federal Com Well No. 5-H to be drilled horizontally from a surface location (Unit D) 330 feet FNL and 990 feet FWL to a bottom hole location (Unit M) 330 feet FSL and 660 feet FWL within this section and to a depth sufficient to test the Bone Springs formation. Also to be considered will be the costs of the drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. as the operator of the well a risk charge of 200% for the risk involved in this well. This unit is located approximately five miles Northeast of the intersection of US Highway 62/180 and State Highway 176, New Mexico.
- 9. <u>CASE 14635</u>: Application of Cimarex Energy Co. for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order consolidating the four 40-acres spacing units within the W/2 W/2 of Section 34, Township 19 South, Range 32 East and designating the consolidated units as a 160-acre non-standard oil spacing and proration unit for a well locations in the Bone Springs formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interest in the Bone Springs formations, including the South Lusk-Bone Springs Pool (code 41460), underlying the W/2 W/2 of this section to be dedicated to its Southeast Lusk "34" Federal Com Well No. 6-H to be drilled horizontally from a surface location (Unit D) 490 feet FNL and 360 feet FWL to a bottom hole location (Unit M) 330 feet FSL and 660 feet FWL within this section and to a depth sufficient to test the Bone Springs formation. Also to be considered will be the costs of the drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. as the operator of the well a risk charge of 200% for the risk involved in this well. This unit is located approximately five miles Northeast of the intersection of US Highway 62/180 and State Highway 176, New Mexico.
- 10. CASE 14636: Application of Cimarex Energy Co. for a Non-Standard Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order consolidating the four 40-acres spacing units within the E/2 W/2 of Section 34, Township 19 South, Range 32 East and designating the consolidated units as a 160-acre non-standard oil spacing and proration unit for a well locations in the Bone Springs formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interest in the Bone Springs formations, including the South Lusk-Bone Springs Pool (code 41460), underlying the E/2 W/2 of this section to be dedicated to its Southeast Lusk "34" Federal Com Well No. 7-H to be drilled horizontally from a surface location (Unit C) 330 feet FNL and 1715 feet FWL to a bottom hole location (Unit N) 330 feet FSL and 1980 feet FWL within this section and to a depth sufficient to test the Bone Springs formation. Also to be considered will be the costs of the drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of Cimarex Energy Co. as the operator of the well a risk charge of 200% for the risk involved in this well. This unit is located approximately five miles Northeast of the intersection of US Highway 62/180 and State Highway 176, New Mexico.
- 11. <u>CASE 14620</u>: (Continued from the April 14, 20011 Examiner Hearing.)
  Application of Mewbourne Oil Company for approval of a water disposal well, Eddy County, New Mexico. Applicant seeks an order approving water disposal into the Upper Pennsylvanian zone (Cisco/Canyon formation) at a depth of 7685-7765 feet subsurface in the State B Well No. 2, located 660 feet from the north line and 660 feet from the west line of Section 33, Township 19 South, Range 25 East, NMPM. The well is located approximately 4-1/2 miles West-Northwest of Seven Rivers, New Mexico.
- 12. CASE 14637: Application of OGX Resources LLC for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. OGX Resources LLC seeks an order approving a 225.60-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of Lot 7 and the NE/4 NE/4 of Section 31 and the E/2 E/2 of Section 30, Township 26 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Copperhead 31 Fed. Com. Well No. 1, a horizontal well with a surface location in Lot 7 of Section 31, and a terminus in the NE/4 NE/4 of Section 30. 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 1 mile Northeast of the intersection of U.S. Highway 285 with the Texas state line.