### Examiner Hearing –March 3, 2011 Docket No. 6-11 Page 4 of 5

15. <u>CASE 14569</u>: (Continued from the February 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.

16. <u>CASE 14570</u>: (Continued from the February 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.

17. CASE 8352. (Reopened) (Continued from the February 3, 2011 Examiner Hearing.)

Application of OXY USA, Inc. to reopen Case No. 8352 to contract the West Bravo Dome Carbon Dioxide Gas Area to exclude acreage in the Bravo Dome Carbon Dioxide Gas Unit and for the adoption of permanent Special Rules and Regulations for the acreage excluded from the West Bravo Dome Carbon Dioxide Gas Area including provisions for 160-acre spacing units, Harding County, New Mexico. Applicant seeks to reopen Case No. 8352 to contract the West Bravo Dome Carbon Dioxide Gas Area to exclude the following acreage in the Bravo Dome Carbon Dioxide Gas Unit ("Bravo Dome Temporary Spacing area"):

### Township 18 North, Range 30 East, NMPM

Sections 1 and 2: A11 Section 3: E/2 E/2, SW/4 SE/4 Section 10: E/2 NE/4 Section11: N/2 Sections 12 - 14: All Section 23: E/2, E/2 W/2 Section 24: All Section 25: E/2, E/2 W/2, W/2 NW/4, NW/4 SW/4 Section 26: NE/4, E/2 NW/4, N/2 S/2 Section 36: All

#### Township 18 North, Range 31 East, NMPM

Sections 1-36:

All

#### Township 19 North, Range 29 East, NMPM

Section 1:

NE/4, E/2 NW/4

## Township 19 North, Range 30 East, NMPM

Section 20: W/2 NE/4, S/2 SE/4

Sections 21 through 28: All Section 29: NE/4 Section 32: NE/4 NE/4

Section 33: NW/4, W/2 NE/4, NE/4 NE/4,

NW/4 SE/4, NE/4 SW/4

Section 34: N/2, E/2 SE/4

Sections 35 and 36: All

# Township 19 North, Range 31 East, NMPM

Sections 19 - 36:

All

# Examiner Hearing -March 3, 2011 Docket No. 6-11 Page 5 of 5

Applicant also seeks the adoption of permanent Special Rules and Regulations for the Bravo Dome Temporary Spacing Area that include provisions for 160-acre spacing and proration units. The West Bravo Dome Carbon Dioxide Gas Unit area is located approximately 15 to 17 miles East-Northeast of Mosquero, New Mexico.

18. CASE 14595: (Continued from the February 17, 2011 Examiner Hearing.)

Application of Mewbourne Oil Company for a non-standard spacing and proration unit unorthodox well location, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order creating a non-standard spacing unit comprised of the SE/4 SE/4 of Section 5 and the E/2 NE/4 of Section 8, of Township 20 South, Range 25 East, NMPM; and pooling all mineral interests in the Undesignated Yeso formation, in this non-standard spacing and proration unit which spacing unit will be the project area for its proposed West Draw "5/8" PH Fed Com Well No. 1-H to be horizontally drilled from a surface location 1500 feet from the South line and 350 feet from the East line (Unit I) of said Section 5, and then in a southerly direction in the Yeso formation to a bottom hole terminus at a point 2310 feet from the North line and 350 feet from the East line (Unit H) of said Section 8. This well will penetrate the Yeso formation at an unorthodox location 1195 feet from the South line and 350 feet from the East line of Section 5, however, the producing interval in the wellbore is within the well's "producing area." 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 Mewbourne Oil Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 4 miles Northwest of Lakewood, New Mexico.

19. CASE 14596: (Continued from the February 17, 2011 Examiner Hearing.)

Application of Mewbourne Oil Company for a non-standard spacing and proration unit, unorthodox well location, and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order creating a non-standard spacing unit comprised of the E/2 NW/4 and the NE/4 SW/4 of Section 24, of Township 19 South, Range 25 East, NMPM; and pooling all mineral interests in the Undesignated Yeso formation, in this non-standard spacing and proration unit which spacing unit will be the project area for its proposed Wyatt Draw "24" KC Well No. 1- H to be horizontally drilled from a surface location 990 feet from the South line and 1650 feet from the West line of said Section 24 and then in a northerly direction in the Undesignated Yeso formation, to a bottom hole terminus at a location 330 feet from the North line and 1650 feet from the West line of said Section 24. This well will penetrate the Yeso formation at an unorthodox location 1295 feet from the South line and 1650 feet from the West line of Section 24, however, the producing interval in the wellbore is within the well's "producing area." 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 Mewbourne Oil Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 6 miles North of Lakewood, New Mexico.

- 20. CASE 14551: (Continued from the February 17, 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.