Examiner Hearing –March 1, 2012 Docket No. 7-12 Page 4 of 4

of Section 19, Township 15 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests from the surface to the base of the Abo/Wolfcamp formation underlying the 159.30 acre non-standard oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Hancock 19 State Com. Well No. 2, a horizontal well to be drilled at a surface location 375 feet from the south line and 375 feet from the east line, with a terminus 375 feet from the south line and 375 feet from the west line, of Section 19. 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13-1/2 miles North-Northeast of Loco Hills, New Mexico.

11. CASE 147.45: (Continued from the January 19, 2012 Examiner Hearing.)

Application of Nearburg Producing Company for Designation of a Non-standard Spacing Unit, an Unorthodox Surface Location and Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order consolidating the 40-acre spacing units within the S/2 SW/4 & SW/4 SE/4 of Section 34, Township 19 South Range 25 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit in the Glorieta-Yeso formation, North Seven Rivers-Yeso pool (97565), for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Glorieta-Yeso formation underlying the S/2 SW/4 & SW/4 SE/4 of Section 34 to be dedicated to its Irami MO Fed Com No. 1-H Well to be drilled horizontally from a surface location 330' from the South line and 10' from the West line to a standard bottom hole location 330' from the South line and 1650' from the East line of Section 34, to a depth sufficient to test the Glorieta-Yeso 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 Nearburg Producing Company as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately one mile northwest of Seven Rivers, New Mexico.

- 12. <u>CASE 13940</u>: (Continued from the January 5, 2012 Examiner Hearing.)

 Application of Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc. for an order directing Pride Energy Company to plug and abandon the State "X" Well No. 1, Lea County, New Mexico. Applicants seek an order directing Pride Energy Company to plug and abandon the State "X" Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico. Said well and spacing unit are located approximately 12 miles west-northwest of Tatum, New Mexico.
- Application of Cimarex Energy Co. of Colorado for approval of a non-standard oil spacing and proration unit, an unorthodox location, and compulsory pooling, Lea County, New Mexico. Cimarex Energy Co. of Colorado seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 33, Township 19 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 33 to form a non-standard 160 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 Chaparral 33 Fed. Com. Well No. 3, a horizontal well to be drilled at an unorthodox surface location 230 feet from the north line and 810 feet from the east line, with a terminus in the SE/4 SE/4, of Section 33. 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 17 miles west of Monument, New Mexico.