Examiner Hearing –April 12, 2012 Docket No. 11-12 Page 2 of 4

location in the NE/4 NW/4, and a terminus in the SE/4SW/4, of Section 10. 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 22 miles west of Bennett, New Mexico.

- 3. <u>CASE 14811</u>: Application of Cimarex Energy Co. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Cimarex Energy Co. seeks an order pooling of all mineral interests in the Wolfcamp formation underlying the W/2 of Section 23, Township 25 South, Range 26 East, NMPM, to form a standard 320 acre gas well spacing and proration unit (project area). The unit is to be dedicated to the Pintail 23 Fed. Com. Well No. 9, a horizontal well to be drilled at an unorthodox surface location 250 feet from the south line and 650 feet from the west line, with a terminus at an unorthodox location 330 feet from the north line and 350 feet from the west line, of Section 23. 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 6 miles south-southwest of Black River Village, New Mexico.
- 4. CASE 14787: Readvertised (Continued from the March 1, 2012 Examiner Hearing.) Application of Nearburg Exploration Company, L.L.C. for a non-standard oil spacing and proration unit, unorthodox oil well locations, and compulsory pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Devonian formation comprised of the W/2 NW/4 of Section 8, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico, approving unorthodox oil well locations in the Strawn and Devonian formations, and pooling all mineral interests in the Devonian formation underlying the non-standard unit. Applicant proposes to drill the Midway 8 State Well No. 1 at an unorthodox location 925 feet from the North line and 1644 feet from the West line of Section 8, to a depth sufficient to test the Strawn formation, and will dedicate the NE/4 NW/4 of Section 8 to the well in the Strawn formation. In the event the well does not result in commercial Strawn production, applicant plans to directionally drill the well to an unorthodox bottomhole location approximately 1139 feet from the North line and 1195 feet from the West line of Section 8 to test the Devonian formation (Midway-Devonian Pool). Applicant requests that a non-standard spacing and proration unit comprised of the W/2 NW/4 of Section 8 be dedicated to the well, to be re-named the Midway 8 State Com. Well No. 1, and pooling all mineral interest owners in the Devonian formation underlying the W/2 NW/4 of Section 8. 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 Nearburg Producing Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 5-1/2 miles northwest of Humble City, New Mexico.
- 5. CASES14812: Application of COG Operating LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Yeso formation, comprised of the E/2 W/2 of Section 6, Township 19 South, Range 26 East, N.M.P.M., Eddy County, New Mexico; and (2) pooling all mineral interests in the Yeso formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Arabian 6 Fee No. 2H well, to be horizontally drilled from a surface location 150 feet from the South line and 1700 feet from the West line of said Section 6 (Unit N) to a bottom-hole terminus at a location 330 feet from the North line and 1700 feet from the West line of said Section 6 (Unit C). The completed interval for this well will be within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles northwest of Lakewood, New Mexico.
- Application of OXY USA WTP Limited Partnership for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order: (1) creating a non-standard 180-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of Lot 4, Section 31, Township 18 South, Range 31 East, and Lots 4, 5, 6, and 7 in Section 6, Township 19 South, Range 31 East, N.M.P.M., Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Samantha 31-6 Federal Com. No. 1H, to be horizontally drilled from a standard surface location 990 feet from the South line and 450 feet from the West line of Lot 4 of said Section 31 to a bottom-hole terminus at a location 330 feet from the South line and 660-feet from the West line of Lot 7 of said Section 6. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of OXY USA WTP Limited Partnership as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 18 miles southeast of Locohills, New Mexico.