

to form a non-standard 160 acre oil spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Layla 35 MD Fee Com. Well No. 1, a horizontal well with a surface location in the SW/4 SW/4, and a terminus in the NW/4 NW/4, of Section 35. 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 2-1/2 miles north-northeast of Malaga, New Mexico.

9. **CASE 14878:** *Application of Energen Resources Corporation for establishment of a Special Infill Well Development Area in portions of the Gavilan-Pictured Cliffs Pool, for exceptions from Rule 19.15.15.11, approval of unorthodox well locations and for downhole commingling, Rio Arriba County, New Mexico.* Applicant seeks an order (1) Approving the establishment of a Special Infill Well Development Area in portions of the Gavilan-Pictured Cliffs Pool (77360) in Rio Arriba, County, New Mexico; (2) Providing for an exception to the well density development limitations applicable to the pool to allow two producing gas wells per 160-acre spacing unit throughout the Special Infill Well Development Area; (3) Authorizing recompletions of existing Mesaverde formation wells in the Pictured Cliffs formation and approving unorthodox well locations pursuant to Rule 19.15.15.13 for certain of those wells; (4) Authorizing the dual completions of new wells to be drilled to both formations; and (5) for downhole commingling. Energen proposes that the Special Infill Well Development Area be comprised of the following lands centered approximately 15 miles northwest of Lindrith, New Mexico:

Township 27 North, Range 3 West, NMPM

Section 11:	All
Section 13:	All
Section 14:	All
Section 15:	S/2
Section 22:	All
Section 23:	All
Section 24:	All
Section 25:	All
Section 26:	All
Section 27:	All
Section 35:	All
Section 36:	All

Township 26 North, Range 3 West, NMPM

Section 1:	All
Section 2:	All
Section 3:	E/2
Section 10:	E/2
Section 11:	All
Section 12:	All
Section 13:	All
Section 14:	E/2, NW/4
Section 23:	NE/4
Section 24:	All

10. **CASE 14864:** *(Continued from the June 25, 2012 Examiner Hearing.) Application of Parallel Petroleum LLC for approval of a Unit Agreement, Eddy County, New Mexico.* Applicant seeks approval of the High Hopes Exploratory Unit for all formations and geological structures from the surface to the base of the Mississippian Lime formation or 7,500 feet whichever is deeper in an area comprising 12,482.52 acres, more or less, of Federal, State of New Mexico and Fee Lands in all or portions of Sections 1-4, 8-11, 14-17, 20-22, 27-29 and 32-33, of Township 18 South, Range 21 East, NMPM which is located approximately 6 miles south southwest of Hope, New Mexico.

11. **CASE 14870:** *(Continued from the June 25, 2012 Examiner Hearing.) Application of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the following described acreage in Section 23, Township 19 South, Range 25 East, NMPM:

(a) The SW/4NW/4 of Section 23 to form a standard 40-acre oil spacing and proration unit for any and all formations