

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 Lindrieth, 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

or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Arkansas 23 Fee Well No. 3, to be drilled at an orthodox location.

(b) The SE/4NW/4 of Section 23 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The unit will be dedicated to the Arkansas 23 Fee Well No. 4, to be drilled at an orthodox location.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost 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 6 miles west of Lakewood, New Mexico.

12. **CASE 14879:** *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 spacing and proration unit comprised of the W/2 E/2 of Section 8, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico and (2) pooling all mineral interests in the Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Bradley 8 Fee 3H well (API #30-015-39812), to be horizontally drilled from a surface location 150 feet from the South line and 2260 feet from the East line (Unit O) to a bottom hole location 330 feet from the North line and 2260 feet from the East line (Unit B) of Section 8. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles south of Dayton, New Mexico.
13. **CASE 14880:** *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 spacing and proration unit comprised of the S/2 N/2 of Section 28, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Falcon 28 1H Well (API #30-015-37000), to be horizontally drilled from a surface location 1980 feet from the North line and 530 feet from the East line (Unit H) of Section 28 to a bottom hole location 1980 feet from the North line and 350 feet from the West line (Unit E) of Section 28. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 1 mile south of Loving, New Mexico.
14. **CASE 14860:** *(Continued from the June 7, 2012 Examiner Hearing.)*
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 spacing and proration unit comprised of the S/2 N/2 of Section 1, Township 19 South, Range 25 East, NMPM, Eddy County and (2) pooling all mineral interests in the Glorieta-Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Clydesdale 1 Fee No. 4H well, to be horizontally drilled from a surface location 2260 feet from the North line and 150 feet from the West line (Unit H) to a bottom hole location 2260 feet from the North line and 330 feet from the West line (Unit E) of Section 1. 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 COG Operating LLC as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 17 miles North of Carlsbad, New Mexico.
15. **CASE 14863:** *(Continued from the June 25, 2012 Examiner Hearing.)*
Application of LRE Operating, LLC, for approval of a salt water disposal well, Eddy County, New Mexico. Applicant seeks an order proposing to utilize its Eddy-Humble "4" State No. 1, located 2310 feet from the South line and 1650 feet from the East line, Unit J, Section 4, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico as a produced water disposal well. Applicant proposes to inject produced water into the Abo, Wolfcamp and Cisco formations. The well is located approximately 7 miles southwest of Loco Hills, New Mexico.
16. **CASE 14819:** *(Continued from the May 24, 2012 Examiner Hearing.)*
Application of LRE Operating, LLC for approval of a compulsory pooling well, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface of the earth to an approximate depth of 5,100 feet sufficient to test the Yeso formation with its Horseshoe 30 State #1 Well, underlying the SE/4 NW/4 of Section 30, Township 17 South, Range 28 East, N.M.P.M. Eddy County, New Mexico. The subject well will be located approximately 8 miles southwest of Loco Hills, New Mexico.