

CASE 13380: *Continued and Readvertised*

Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 33, Township 22 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Cass Draw-Wolfcamp Gas Pool, Undesignated South Carlsbad-Strawn Gas Pool, Undesignated Otis-Atoka Gas Pool, and South Carlsbad-Morrow Gas Pool. The unit will be dedicated to the Otis 33 Well No. 2, to be re-entered at a previously approved unorthodox gas well location in the NE/4 NW/4 (Unit C) of Section 33. Also to be considered will be the cost of re-entering and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of Chi Operating, Inc. as operator of the well, and a 200% charge for the risk involved in re-entering and completing the well. The units are located approximately 1½ miles west of Otis, New Mexico.

CASE 13381: *Continued and Readvertised*

Application of Chi Energy, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 17, Township 22 South, Range 27 East, and in the following manner: The S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, South Carlsbad-Strawn Gas Pool, and South Carlsbad-Morrow Gas Pool; the SE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations developed on 160-acre spacing within that vertical extent; and the NE/4 SE/4 to form a standard 40-acre oil spacing and proration unit for any and all formations developed on 40-acre spacing within that vertical extent, including the Undesignated South Carlsbad-Cherry Canyon Pool. The units are to be dedicated to the proposed Kodiak Well No. 1, to be drilled at an orthodox location in the NE/4 SE/4 (Unit I) of Section 17. 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 Chi Operating, Inc. 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 miles south-southwest of Otis, New Mexico.

CASE 13376: *Continued and Readvertised*

Application of COG Operating LLC for compulsory pooling and an unorthodox surface gas well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 33, Township 19 South, Range 33 East, to form a standard 320-acre gas spacing and proration unit for any and all formations developed on 320-acre spacing within that vertical extent, including the Undesignated Gem-Morrow Gas Pool. The unit is to be dedicated to the proposed Jade Viper 33 Fed. Com. Well No. 1, to be drilled from an unorthodox surface gas well location 495 feet from the north line and 1650 feet from the east line of Section 33, to an orthodox bottomhole location in the NW/4 NE/4 (Unit B) 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 units are located approximately 16 miles southwest of Buckeye, New Mexico.

CASE 13362: *Continued from November 4, 2004, Examiner Hearing*

Application of the New Mexico Oil-Conservation Division for a Compliance Order. The Applicant seeks an order requiring operator KC Resources Inc. to remediate contamination at a tank battery site in compliance with 19.15.3.116.D NMAC and bring three inactive wells into compliance with 19.15.4.201 NMAC; authorizing the Division to plug said wells and ordering a forfeiture of the applicable plugging bond if the operator fails to comply; and assessing civil penalties. The tank battery is located at the site of the Lea YH State #003, API #30-025-26562, J-25-18S-34E, NMPM. The inactive wells are the Lea YH State #001, API #30-025-26104, O-25-18S-34E, NMPM; the Lea YH State #002, API #30-025-26299, P-25-18S-34E, NMPM; and the Lea YH State #004, API #30-025-26687, I-25-18S-34E, NMPM. The tank battery and wells are located approximately 22 miles west of Hobbs in Lea County, New Mexico.