

Township 21 South, Range 37 East, NMPM

Section 1: Lots 11 thru 15, SW/4 and W/2SE/4
Section 11: E/2 and NW/4
Section 12: W/2NE/4, NW/4, W/2SE/4, SW/4
Section 13: W/2, W/2NE/4 and NW/4SE/4
Section 14: NE/4 and E/2SE/4

This unit is to be designated as the East Blinebry-Drinkard Unit. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including a participation formula, capital investment to each of the various tracts in the unit area; the determination of credit and charges to be made among the various owners in the unit area for their investment in wells and equipment and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a non-consent penalty for risk to be charged against carried working interest owners within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. This Unit is located approximately 4 miles Northeast of Eunice, New Mexico. Upon application of BP America Corporation, this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 13486: *De Novo – Continued from August 18, 2005, Commission Meeting*

Application of Synergy Operating, LLC for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying the following described acreage in Section 8, Township 29 North, Range 11 West, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any pools or formations developed on 320-acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any pools or formations developed on 160-acre spacing within that vertical extent, including the Undesignated Bloomfield-Farmington Pool. The units are to be dedicated to the Duff 29-11-8 Well No. 104, to be drilled at an orthodox location in the NW/4 of Section 8, and the Duff 29-11-8 Well No. 105, to be drilled at an orthodox location in the SW/4 of Section 8. 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 south-southwest of Aztec, New Mexico. Upon applications of Edwin Smith, LLC and Jerry Walmsley, Trustee, Bypass Trust U/W June H. Walmsley, this case will be heard De Novo pursuant to the provisions of Rule 1220.