

CASE 13633: *Continued from February 2, 2006, Examiner Hearing*

Application of Bass Enterprises Production Co. 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 7, Township 22 South, Range 28 East, for all pools or formations developed on 320 acre spacing within that vertical extent. Also to be considered will be the designation of applicant as operator of the well, allocation of the costs of drilling and completing the well, establishment of overhead and administrative rates together with a provision adjusting said rates pursuant to the COPAS accounting procedure, and a 200% risk charge to be assessed against non-consenting interest owners. The well unit is located east of Carlsbad, New Mexico.

CASE 13647: *Application of Charles D. Ray for compulsory pooling, Lea County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the S/2 of Section 5, Township 12 South, Range 34 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent. The unit is to be designated to the Randy State Well No. 1, to be drilled at an orthodox location in the NW/4SW/4 of Section 5. 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 BC Operating, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 12 miles west-northwest of Tatum, New Mexico.

CASE 13608: *Continued from January 19, 2006, Examiner Hearing*

Application of Mack Energy Corporation for contraction of the East Empire-Yeso Pool and extension of the horizontal boundaries and the vertical limits of a portion of the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool, Eddy County, New Mexico. Applicant seeks an order contracting the East Empire-Yeso Pool to exclude the following acreage:

Township 17 South, Range 29 East, NMPM

Section 22: N/2 SW/4, SW/4 SW/4

Section 27: W/2 SW/4

Section 28: N/2

Applicant also seeks an order simultaneously extending the horizontal boundaries and the vertical limits of the Grayburg Jackson (Seven River-Queen-Grayburg-San Andres) Pool within the Grayburg-Jackson West Cooperative Unit which is comprised of approximately 2,400 acres of State of New Mexico and fee lands in the following acreage:

Township 17 South, Range 29 East, NMPM

Section 15: W1/2 SW1/4

Section 21: All

Section 22: W1/2W1/2, E1/2NW1/4,
NE1/4SW1/4, NW1/4NE1/4

Section 27: W1/2SW1/4

Section 28: All

The subject lands are located in the immediate vicinity of Loco Hills, New Mexico.

CASE 13609: *Continued from January 19, 2006, Examiner Hearing*

Application of Mack Energy Corporation for an Amendment to Order No. R-3127-A Extending the Vertical Limits of the Grayburg-Jackson West Cooperative Unit and for the Expansion of Injection Operations, Eddy County, New Mexico. Applicant seeks an order amending the previous orders of the Division approving the Grayburg-Jackson West Cooperative Unit Agreement to extend the vertical limits of the unitized formation to include all formations from the top of the Seven Rivers formation to the base of the Glorieta-Yeso (Paddock) formation. Applicant also seeks authorization to expand waterflood injection operations to include all intervals within the extended vertical limits of the unitized formation in the Grayburg-Jackson West Cooperative Unit comprised of approximately 2,400 acres of State of New Mexico and fee lands in the following acreage:

Township 17 South, Range 29 East, NMPM

Section 15: W1/2SW1/4

Section 16: All

Section 21: All

Section 22: W1/2W1/2, E1/2NW1/4,
NE1/4SW1/4, NW1/4NE1/4

Section 27: W1/2SW1/4

Section 28: All

The subject lands are located in the immediate vicinity of Loco Hills, New Mexico.

CASE 13603: *Continued from February 2, 2006, Examiner Hearing*

Application of Devon Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface through the base of the Wolfcamp formation in the following described acreage in Section 6, Township 17 South, Range 25 East: the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated West Cottonwood Creek-Wolfcamp Gas Pool, and the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent. Said spacing and proration units are to be dedicated to the 1725 Federal Com Well No. 61 (API No. 30-015-34340) currently being drilled from a surface location 660 feet from the North line and 760 feet from the West line of said Section 6 to an appropriate depth to be horizontally drilled in a southerly direction in the Wolfcamp formation for a sufficient distance to enable the well to effectively drain the W/2 of Section 6 and test all formations from the surface to the base of the Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as operating costs and charges for supervision, designation of Devon Energy Corporation as operator of the well and imposition of a 200% penalty on any working interest owner's share of the costs of drilling and completing the well incurred by Devon, if any, against any working interest owner who does not voluntarily participate in the well. Said area is located approximately 7 miles west of Artesia, New Mexico.

CASE 13628: *Continued from February 2, 2006, Examiner Hearing*

Application of LCX Energy, LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface through the base of the Wolfcamp formation in the following described acreage in Section 6, Township 17 South, Range 25 East; the W/2 to form a standard 320-acre spacing and proration unit for all formations developed on a 320-acre spacing unit within that vertical extent which includes but is not necessarily limited to the Undesignated West Cottonwood Creek-Wolfcamp Gas Pool, and the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent. Said spacing and proration units are to be dedicated to the 1725 Federal Com Well No. 61 (API No. 30-015-34340) currently being drilled from a surface location 660 feet from the North line and 760 feet from the West line of said Section 6 to an appropriate depth to be horizontally drilled in a southerly direction in the Wolfcamp formation for a sufficient distance to enable the well to effectively drain the W/2 of Section 6 and test all formations from the surface to the base of the Wolfcamp formation. Also to be considered will be the cost of drilling, completing and equipping said well and the allocation of the costs thereof as well as operating costs and charges for supervision, designation of LCX Energy, LLC as operator of the well and imposition of a 200% penalty plus the costs of drilling, completing and equipping the well incurred by LCX against any working interest owner who does not voluntarily participate in the well. The subject well and lands are located approximately 7 miles west of Artesia, New Mexico.

CASE 13598: *Continued from February 2, 2006, Examiner Hearing*

Application of Hudson Oil Company of Texas, William A. Hudson and Edward R. Hudson for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation through the base of the Morrow formation in the following described acreage in Section 12, Township 17 South, Range 31 East: the N/2 to form a standard 320-acre spacing and proration unit for all formations developed on 320-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated Fren-Morrow Gas Pool; the NW/4 to form a standard spacing and proration unit for all formations developed on 160-acre spacing within that vertical extent and the NW/4 NW/4 to form a standard spacing and proration unit for all formations developed on 40-acre spacing within that vertical extent which includes but is not necessarily limited to the Undesignated East Fren-Paddock Pool. Said units are to be dedicated to its Francotte Federal Well No. 1 to be drilled 660 feet from the North and West lines of said Section 12 to an approximate depth of 12,500 feet. 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 Hudson Oil Company of Texas as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 3 miles east northeast of Maljamar, New Mexico.