

Township 1 South, Range 21 West, N.M.P.M.

Sections 1-4: All  
Sections 9-16: All  
Sections 21-28: All  
Sections 33-36: All

Township 2 South, Range 20 West, N.M.P.M.

Sections 5-8: All  
Sections 18-19: All

Township 2 South, Range 21 West, N.M.P.M.

Sections 1-4: All  
Sections 9-16: All  
Sections 21-28: All  
Sections 33-36: All

Township 3 South, Range 21 West, N.M.P.M.

Sections 3-4: All

The proposed unit area is centered approximately 33 miles west-southwest of Quemado, New Mexico.

**CASE NO. 13747:** *Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico.* Cimarex Energy Co. seeks an order pooling all mineral interests in the Wolfcamp formation underlying the SW/4 NW/4 and NW/4 SW/4 of Section 21, Township 15 South, Range 36 East, NMPM, to form an 80-acre oil spacing unit (project area) for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Caudill-Permo Upper Penn Pool. The unit is to be dedicated to the Caudill South "21" Fee Well No. 2H, a horizontal well to be drilled at a surface location 2000 feet from the south line and 940 feet from the west line with a terminus located 1650 feet from the North line and 940 feet from the West line of Section 21. 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 unit is located approximately 4-1/2 miles North-Northeast of Lovington, New Mexico.

**CASE NO. 13704:** *Continued from June 22, 2006 Examiner Hearing*

*Application of Latigo Petroleum, Inc. 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 following described acreage in Section 9, Township 16 South, Range 32 East, NMPM, Lea County, New Mexico, and in the following manner: The N/2 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, including the Undesignated Anderson Ranch-Morrow Gas Pool; and the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent. The units are to be designated to the Anderson Ranch State "9" Well No. 1, to be drilled at an orthodox gas well location in the NE/4 NE/4 of Section 9. 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 6 miles north-northwest of Maljamar, New Mexico.

**CASE NO. 13748:** *Application of Murchison Oil & Gas, Inc. for compulsory pooling and approval of an unorthodox surface location, Eddy County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the W/2 of Section 11, Township 17 South, Range 28 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, including the Undesignated North Empire-Atoka Gas Pool and South Empire-Morrow Gas Pool. The unit is to be dedicated to the Bobcat Fed. Com. Well No. 1, to be directionally drilled from an unorthodox surface location 107 feet from the South line and 704 feet from the West line of Section 11 to an orthodox bottom hole location in the SW/4 SW/4 of Section 11. 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 unit is located approximately 10 miles West-Northwest of Loco Hills, New Mexico.

**CASE NO. 13732:** *Continued from July 6, 2006 Examiner Hearing*

*Application of Devon Energy Production Company, L.P. 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 22, Township 19 South, Range 31 East, NMPM, and in the following manner: The W/2 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, including the Undesignated West Lusk-Morrow Gas Pool; the SW/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Lusk-Strawn Gas Pool; and the SE/4 SW/4 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, including the Undesignated West Lusk-Yates Pool, Undesignated Hackberry-Delaware Pool, and

Undesignated Hackberry-Bone Spring Pool. The units are to be dedicated to the Arenoso "22" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SW/4 of Section 22. 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 14 miles south-southeast of Loco Hills, New Mexico.

***CASE NO. 13738: Continued from July 6, 2006 Examiner Hearing***

***Application of Devon Energy Production Company, L.P. 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 Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) Section 2, Township 22 South, Range 26 East, NMPM, to form a standard 320.63-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Happy Valley-Strawn Gas Pool, Undesignated Happy Valley-Atoka Gas Pool, and Undesignated Happy Valley-Morrow Gas Pool. The unit will be dedicated to the Perfecto 2 State Com. Well No. 1, to be drilled in the SW/4 NW/4 of Section 2. 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 unit is located approximately 2-1/2 miles West of Carlsbad, New Mexico.

***CASE NO. 13749: Application of Magnum Hunter Production, Inc. for cancellation of one drilling permit and approval of a second drilling permit, Lea County, New Mexico.*** Applicant seeks an order canceling a drilling permit issued to Samson Resources Company covering the S/2 of Section 10, Township 20 South, Range 33 East, NMPM, and requiring the Division's Hobbs District Office to approve a drilling permit filed by applicant covering the E/2 of said Section 10, to form a standard 320-acre gas spacing and proration unit in the West Teas-Morrow Gas Pool. Applicant's well unit is located approximately 5 miles Northeast of the intersection of State Highway 176 and U.S. Highway 62/180.

***CASE NO. 13731: Readvertised and Continued from June 22, 2006 Examiner Hearing***

***Application of Mewbourne Oil Company 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 W/2 of Section 10, Township 20 South, Range 25 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the East Dagger Draw-Strawn Gas Pool and Cemetery-Morrow Gas Pool. The unit is to be dedicated to the proposed Long Draw "10" Fee Com. Well No. 1, to be drilled at an orthodox location in the NW/4 SW/4 of Section 10. 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 unit is located approximately 3 miles West-Southwest of Seven Rivers, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

***CASE NO. 13719: Continued from June 22, 2006 Examiner Hearing***

***Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order pooling all mineral interests from the surface to the base of Morrow formation in the following described spacing and proration units located in the W/2 of Section 24, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Illinois Camp-Morrow Gas Pool, the Undesignated Red Lake-Atoka Gas Pool and the Undesignated Chalk Bluff-Wolfcamp Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the SE/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not limited to the Chalk Bluff- Wolfcamp Pool. OXY proposes to dedicate the above-referenced spacing or proration units to its Peso State Well No. 1 to be drilled at a standard gas well location 1980 feet from the North line and 1530 feet from the West line (Unit F) of said Section 24. 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 OXY USA WTP Limited Partnership as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles southeast of Artesia, New Mexico.

***CASE NO. 13750: Application of BP America Production Company for approval of a waterflood project, Eddy County, New Mexico.*** Applicant seeks approval of its Washington "33" State Lease Waterflood Project by injection of water into the Queen-Grayburg, San Andres formations through the following seven injection wells located in Section 33, Township 17 South, Range 28 East, NMPM:

Washington "33" State Well No. 2, 990' FNL & 930' FEL  
Washington "33" State Well No. 4, 990' FNL & 2270' FEL  
Washington "33" State Well No. 10, 2267' FNL & 1650' FWL  
Washington "33" State Well No. 14, 2282' FNL & 970' FEL  
Washington "33" State Well No. 16, 1500' FSL & 700' FEL  
Washington "33" State Well No. 18, 1550' FSL & 2511' FEL  
Washington "33" State Well No. 23, 975' FSL & 1060' FWL

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project