

involved in drilling and completing the well. The units are located approximately 5-1/2 miles north-northeast of Lovington, New Mexico.

CASE NO. 13795: *Application of Devon Energy Production Company, L.P. for simultaneous dedication and an unorthodox gas well location, Eddy County, New Mexico.* Applicant seeks approval to drill its Todd "23A" Federal Well No. 38 (API No. 30-015-35076) as an infill well within an existing standard 640-acre gas spacing unit within the Undesignated Sand Dunes-Atoka Gas Pool (84600) comprising all of Section 23, Township 23 South, Range 31 East, at an unorthodox gas well location 660 feet from the North line and 860 feet from the East line (Unit A) of Section 23. Applicant further seeks authorization to simultaneously dedicate production attributed to the Sand Dunes-Atoka Gas Pool within this 640-acre unit from its: (i) existing Todd "23J" Federal Well No. 3 (API No. 30-015-24257), located at a standard gas well location 1980 feet from the South line and 1800 feet from the East line (Unit J) of Section 23; and (ii) above-described Todd "23A" Federal Well No. 38. This unit is located approximately 39 miles south of Maljamar, New Mexico.

CASE NO. 13776: *Continued from the September 28, 2006 Examiner Hearing.*

Application of XTO Energy Inc. for compulsory pooling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Blanco-Mesaverde Gas Pool underlying the N/2 of Section 10, Township 30 North, Range 11 West, NMPM, to form a 320-acre gas spacing unit within that vertical extent. The unit is to be dedicated to the Hampton Well No. 2, to be drilled at an orthodox gas well location in the NE/4 NE/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 1 mile East of Aztec, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE NO. 13755 (amended and readvertised): *Continued from the September 28, 2006 Examiner Hearing.*

Application of Unit Petroleum Company for compulsory pooling and to address the appropriate overriding royalty burdens for purposes of the charge for risk involved in drilling wells on the well unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from approximately 11,920 feet subsurface to the base of the Morrow formation underlying the E/2 of Section 23, Township 20 South, Range 35 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320-acre spacing within that vertical extent, including the West Osudo-Morrow Gas Pool. The unit is to be dedicated to the Byers Well No. 2, to be drilled at an orthodox gas well location in the SE/4 NE/4 of Section 23. 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. Applicant also requests that an overriding royalty owned by Magnolia, L.L.C. be disallowed for purposes of recovering the risk charge under the pooling orders for the existing Byers Well No. 1 (Order No. R-12050) and for the proposed Byers Well No. 2. The well unit is located approximately 10-1/2 miles southwest of Monument, New Mexico.

CASE NO. 13780: *Continued from the September 28, 2006 Examiner Hearing.*

Application of Unit Petroleum Company for compulsory pooling and approval of a non-standard gas spacing and proration unit, 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 17, Township 20 South, Range 36 East, NMPM, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320 acre spacing within that vertical extent; the N/2 to form a non-standard 320-acre gas spacing and proration unit in the North Osudo-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for all formations and/or pools developed on 160 acre spacing within that vertical extent; and the NE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Monument 17 Well No. 1, to be drilled in the NE/4 NE/4 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 applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well, as well as approval of the non-standard gas well unit. The well units are located approximately 7 miles southwest of Monument, New Mexico.

CASE NO. 13711: *(Re-advertised) Application of the New Mexico Oil Conservation Division for an Order Requiring Tempo Energy, Inc., Peterson Petroleum Company and/or Joe D. Peterson to Plug 1 Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Lea County, New Mexico.* Applicant seeks an order requiring Tempo Energy, Inc. to plug the following well and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
San Simon State #6	30-025-29839	2310 FNL/990 FEL H-4-22S-35E

CASE NO. 13373: *Continued from the September 14, 2006 Examiner Hearing.*

Application of the New Mexico Oil Conservation Division for an order requiring Orbit Energy Inc. to return 5 wells to compliance with 19.15.4.201 NMAC, Roosevelt County, New Mexico. The Applicant moves the Oil Conservation Division Director to reopen Case No. 13373 to issue an order assessing civil penalties and finding Orbit Petroleum, Inc. (formerly Orbit Energy Inc.) to be in violation of Order R-12250, issued in Case No. 13373, requiring corrective action as to the following wells: Farrell Federal #010, API 30-041-10446, F-28-7S-33E; James McFarland #004, API 30-041-10567, L-20-7S-33E; Humble Federal #005, API 30-041-20116, B-26-7S-32E; State BA #001, API 30-041-10003, A-34-7S-35E; State BA #002, API 30-041-20048, H-34-7S-35E. The wells are located approximately 30 miles southwest of Portales in Roosevelt County, New Mexico.

CASE NO. 13796: *In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Eddy County, New Mexico.*

(a) CREATE a new pool in Eddy County, New Mexico for the production of gas from the Wolfcamp formation and designated as the Southwest Four Mile Draw-Wolfcamp Gas Pool (**Pool Code 97553**). The discovery well is the Parallel Petroleum Corporation Boxtop Federal 1921-1 Well No. 1 (**API No. 30-015-34374**) located in Unit M of Section 1, Township 19 South, Range 21 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 21 EAST, NMPM
Section 1: All

(b) EXTEND the Anderson-Pennsylvanian Gas Pool (**Pool Code 70200**) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM
Section 24: E/2

(c) EXTEND the Angell Ranch-Atoka-Morrow Gas Pool (**Pool Code 70310**) in Eddy County, New Mexico to include:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 3: All

(d) EXTEND the Black River-Wolfcamp Gas Pool (**Pool Code 72240**) in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 31: W/2

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM
Section 6: W/2
Section 7: NW/4

(e) EXTEND the Brushy Draw-Delaware Pool (**Pool Code 8080**) in Eddy County, New Mexico to include:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 4: SE/4

(f) EXTEND the Cedar Lake-Morrow Gas Pool (**Pool Code 74560**) in Eddy County, New Mexico to include: