

DOCKET: EXAMINER HEARING - THURSDAY – SEPTEMBER 28, 2006

**8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico**

Docket Nos. 33-06 and 34-06 are tentatively set for October 12, 2006 and October 26, 2006. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Cases will be heard by an Examiner.

CASE NO. 13784: *Application of San Juan Resources, Inc. for compulsory pooling, San Juan County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Dakota formation underlying a 325.21-acre non standard spacing unit consisting of the S/2 of Section 34, T32N, R13W, NMPM, San Juan County, New Mexico, forming a non-standard 325.21-acre gas spacing and proration unit for any production from the surface to the base of the Dakota formation, including but not limited to the Basin-Dakota Gas Pool and Blanco-Mesaverde Gas Pool. This unit is to be dedicated to its Memgem Walters "34" Well No. 1 (API#30-045-33768) to be drilled at a standard location in Unit I of this section for downhole commingled production from the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of San Juan Resources, Inc. as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 1 mile North from La Plata, New Mexico. IN THE ABSENCE OF OBJECTION, THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE NO. 13785: *Application of Ridgeway Arizona Oil Corporation for approval of a unit agreement, Catron County, New Mexico.* Applicant seeks approval of the Cottonwood Canyon Carbon Dioxide Gas Unit Area, comprising 89,574.12 acres of federal, state, and fee lands described as follows:

Township 2 North, Range 20 West, N.M.P.M.
Sections 30-32: All

Township 2 North, Range 21 West, N.M.P.M.
Section 9: All
Sections 14-16: All
Sections 21-28: All
Sections 33-36: All

Township 1 North, Range 20 West, N.M.P.M.
Sections 4-9: All
Sections 16-21: All
Section 26: S½
Section 27: S½
Sections 28-35: All

Township 1 North, Range 21 West, N.M.P.M.
Sections 1-4: All
Sections 9-16: All
Sections 21-28: All
Sections 33-36: All

Township 1 South, Range 20 West, N.M.P.M.
Sections 2-10: All
Sections 16-21: All
Sections 28-33: All

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. 13786: *Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico.* Cimarex Energy Co. seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in Section 21, Township 15 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 any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Caudill-Atoka Gas Pool and Undesignated Caudill-Mississippian Gas Pool.; 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; and the NE/4 NE/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 Caudill-Permo Upper Penn Pool. The units are to be dedicated to the Caudill West 17 Fee Well No. 1, to be drilled at an orthodox location in the NE/4 NE/4 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. The units are located approximately 5-1/2 miles north-northeast of Lovington, New Mexico.

CASE NO. 13787: *Application of RSC Resources Limited Partnership for approval of a non-standard oil spacing and proration unit, compulsory pooling, and an unorthodox oil well location, Lea County, New Mexico.* Applicant seeks an order approving a non-standard 80-acre oil spacing and proration unit in the Devonian formation (North Knowles-Devonian Pool) comprised of the SE/4 NE/4 and NE/4 SE/4 of Section 14, Township 16 South, Range 38 East, NMPM, and pooling all mineral interests in said unit. The unit is to be dedicated to the Lawrence Well No. 1 Y, to be re-entered at an unorthodox surface location 2531 feet from the North line and 630 feet from the East line of Section 14, with an estimated unorthodox bottom hole location 2531 feet from the North line and 660 feet from the East line of Section 14, and applicant further seeks approval of said locations. Also to be considered will be the cost of re-entering, 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 re-entering, drilling, and completing the well. The unit is located approximately 6-1/2 miles north-northeast of Knowles, New Mexico.

CASE NO. 13788: *Application of Chi Operating Inc. for approval of off-lease storage and measurement, Eddy County, New Mexico.* Applicant seeks an order pursuant to the provisions of Oil Conservation Division Rule 303.B authorizing the Off-Lease Storage and Measurement of Delaware production, South Carlsbad-Delaware Pool, from its Hagerman Well No. 1 located at a point 1650 feet from the South line and 2200 feet from the West line of Section 30, Township 22 South, Range 27 East, NMPM, at the well site of its Allen Well No. 3, which is located at a point 660 feet from the North line and 1980 feet from the East line of Section 31, Township 22 South, Range 27 East, NMPM. The Hagerman well is located 1650 feet inside the Carlsbad, New Mexico, city limits on the southeastern border of the city.