Examiner Hearing – January 18, 2007 Docket No. 03-07 Page 2 of 4

CASE NO. 13860: Application of Energen Resources Corporation for compulsory pooling, San Juan County, New Mexico: Applicant seeks an order pooling all mineral interests in the Fruitland Coal formation underlying Lots 1, 2, S/2 NE/4, SE/4 (E/2 equivalent) of Section 2, Township 27 North, Range 13 West, N.M.P.M., San Juan County, New Mexico. Applicant proposes to drill its Richardson No. 10 well to be located at a standard gas well location 660 feet from the south line and 795 feet from the east line of said Section 2. Applicant seeks to dedicate the E/2 of Section 2 to the well to form a standard 320 acre gas spacing and proration unit for any formations and/or pools developed on 320 acre spacing within that vertical extent, including the Basin Fruitland Coal Gas Pool (71629). The subject lands are located approximately 12 miles south of Farmington. New Mexico.

CASE NO. 13841: Continued from the January 4, 2007 Examiner Hearing.

Application of Koch Exploration Company, LLC for an order authorizing increased well density and simultaneous dedication on certain non-standard spacing units in the Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico. Applicant seeks authorization to drill an additional coal gas well at a standard location in each of three existing non-standard gas spacing units in the Basin-Fruitland Coal Gas Pool. These three GPU's comprise the following acreage located in the narrow sections along the west side of Township 31 North, Range 8 West:

- A. W 2 equivalent of Section 6 and the NW/4 equivalent of Section 7 (The additional well is proposed at a standard location in the NW/4 of Section 6):
- B. SW/4 equivalent of Section 7 and W/2 equivalent of Section 18 (the additional well is proposed at a standard location in the NW/4 of Section 18); and
- C. W/2 equivalent of Section 19 and the NW/4 equivalent of Section 30 (the additional well is proposed at a standard location in the NW/4 of Section 19).

Applicant also seeks authorization to simultaneously dedicate each of these units to the three coal gas wells located thereon. This area is located approximately 6.5 miles West of the Los Pinos arm of the Navajo Reservoir approximately

CASE NO. 13826: Continued from the January 4, 2007 Examiner Hearing.

30.66 miles North of Aztec, New Mexico.

Application of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico. Cimarex Energy Co. seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 29. Township 19 South, Range 28 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 South Millman-Morrow Gas Pool; and the SW/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 dedicated to the Fadeaway Ridge 29 State Com. Well No. 1, to be drilled at an orthodox location in the NE 4SW 4 of Section 29. 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 Cimarex Energy Co. of Colorado as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 10 miles east of Lakewood, New Mexico.

CASE NO. 13861: Application of Cimarex Energy Co. of Colorado for an unorthodox gas well location, Lea County, New Mexico. Cimarex Energy Co. of Colorado seeks an order approving an unorthodox gas well location in the Atoka. Morrow and Mississippian formations for the Aduddle Well No. 1, to be re-entered at a location 330 feet from the north line and 897 feet from the east line of Section 23, Township 15 South, Range 36 East, NMPM. The N/2 of Section 23 will be dedicated to the well to form a standard 320-acre gas spacing and proration unit. The unit is located approximately 6 miles northeast of Lovington. New Mexico.

CASE NO. 13849: Continued from the January 4, 2007 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 Basin-Fruitland Coal Gas Pool underlying Lots 3, 4, \$/2 NW/4, and \$W/4 (the W/2) of Section 5. Township 30 North, Range 13 West, NMPM, to form a 320.72-acre gas spacing unit within that vertical extent. The unit is to be dedicated to (i) the Lunt Well No. 1, to be drilled at an orthodox gas well location in the \$W/4 NW/4 of Section 5, and (ii)) the Lunt Well No. 2, to be drilled at an orthodox gas well location in the \$SW/4 SW/4 of Section 5. 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 unit is located approximately 6-1/2 miles south-southwest of LaPlata. New Mexico. In the absence of objection this matter will be taken under advisement.