Examiner Hearing - February 1, 2007 Docket No. 04-07

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CASE NO. 13869: Application of Devon Energy Production Company, L.P. for lease commingling, Eddy County, New Mexico. Devon Energy Production Company, L.P. seeks an exception to Rule 19.15.5.303A NMAC to authorize the surface commingling of production from the Ingle Wells-Delaware Pool originating from its wells located on Federal Oil and Gas Leases NM 0418220-A and NM 0405444-A, which collectively comprise all of Section 26. Township 23 South. Range 31 East, N.M.P.M., Applicant also seeks an exception to the metering requirements of Rule 19.15.5.303B(4)(a) NMAC to authorize the allocation of production from these diversely-owned wells on the basis of periodic well tests. All production from these wells is to be stored at the Todd "26" Tank Battery, located in the SW/4 NE/4 of Section 26. The leases and wells are located approximately 20-1/2 miles East of Loving, New Mexico.

CASE NO. 13826: Continued from the January 18, 2007 Examiner Hearing.

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: Continued from the January 18, 2007 Examiner Hearing.

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 cast 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. 13870: Application of Quest Cherokee, LLC for approval of an application for permit to drill, Lea County, New Mexico. Applicant seeks approval of an application for permit to drill its State 9-4 Well No. 1 in the NW/4 of Section 9. Township 18 South, Range 38 East, NMPM. The proposed well is located approximately 5 miles northnorthwest of Hobbs. New Mexico.

CASE NO. 13853: Continued from the January 18, 2007 Examiner Hearing.

Application of Myco Industries, Inc. for compulsory pooling, Chaves County, New Mexico. Myco Industries, Inc. seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 34, Township 15 South. Range 24 East, NMPM, to form a 320-acre gas spacing unit (project area) in the Wolfcamp formation. The unit is to be dedicated to the Starr 34 Fee Well No. 1, a horizontal well which will have an orthodox location within the producing area. 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 9-1/2 miles westsouthwest of Lake Arthur, New Mexico.

CASE NO. 13856: Continued from the January 18, 2007 Examiner Hearing.

Application of Myco Industries, Inc. for compulsory pooling, Chaves County, New Mexico. Myco Industries, Inc. seeks an order pooling all mineral interests in the Wolfcamp formation underlying the N 2 of Section 34. Township 15 South, Plange 24 Fast, NMPM, to form a 320-acre gas spacing unit (project area) in the Wolfcamp formation. This unit is to be dedicated to the Start 34 Fee Well No. 2, a horizontal well which will have an orthodox location within the producing area. 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 9-1/2 miles westsouthwest of Lake Arthur, New Mexico.