DOCKET: EXAMINER HEARING - THURSDAY - FEBRUARY 15, 2007

8:15 A.M. - 1220 South St. Francis

Santa Fe, New Mexico

Docket Nos. 07-07 and 08-07 are tentatively set for March 1, 2007 and March 15, 2007. 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.

<u>CASE NO. 13864:</u> Continued from the February 1, 2007 Examiner Hearing.

Application of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation in the following described spacing and proration units located in the N/2 of Section 33, Township 15 South, Range 25 East, N.M.P.M., Chaves County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing. Said unit is to be dedicated to its Personally 1525-33 Well No. 1 to be drilled at an unorthodox surface location 760 feet from the North line and 147 feet from the East line of Section 32, Township 15 South, Range 25 East, and will penetrate the top of the Wolfcamp formation at 760 feet from the North line and 660 feet from the West line and a bottomhole location 760 feet from the North line and 660 feet from the East line of Section 33, Township 15 South, Range 25 East, NMPM, Chaves County, New Mexico to an approximate depth of 4750 feet to test any and all formations from the surface to the base of the Wolfcamp formation. 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 Parallel Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located 12 miles NW of Lake Arthur, New Mexico.

CASE NO. 13871: Application of EOG Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the Wolfcamp formation, in the E/2 of Section 5, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to form a 320-acre project area for a horizontal well. Said unit is to be dedicated to its Tiber B 5 Fee Well No. 1H to be horizontally drilled from a surface location 187 feet from the South line and 2239 feet from the East line to a depth of 4756 feet to penetrate the Wolfcamp formation to a bottomhole location 2448 feet from the North line and 1880 feet from the East line of said Section 5. 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 EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 8 miles northwest of Artesia, New Mexico.

CASE NO. 13872: Application of Charles D. Ray 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 W/2 of Section 29, Township 23 South, Range 34 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. The unit is to be designated to the TDS Well No. 1, to be drilled at an orthodox location in the NW/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 BC Operating, Inc. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 20-1/2 miles southwest of Oil Center, New Mexico.

<u>CASE NO. 13826</u>: Continued from the February 1, 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 gas 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.