Examiner Hearing – March 1, 2007 Docket No. 07-07 Page 2 of 8

<u>CASE NO. 13875:</u> Application of Range Operating New Mexico, Inc, to amend Division Order R-12601, Eddy County, New Mexico. Applicant seeks to amend Order R-12601

so that three of the six previously approved unorthodox injection wells location can be relocated all within Township 23 South, Range 28 East, as follows:

SCB 23-18 Well:

Old Surface: 1815 feet FNL and 1200 feet FWL of Section 23 (Unit D) Old Bottom hole: 1000 feet FNL and 1300 feet FWL of Section 23 (Unit E)

New Surface: 1883 feet FNL and 1052 feet FWL of Section 23 (Unit D) New Bottom hole: 1000 feet FNL and 1300 feet FWL of Section 23 (Unit E)

(2) SCB 23-20 Well:

Old Surface & Bottom hole: 2520 feet FSL and 2460 feet FEL of Section 23 (Unit J) New Surface & Bottom hole: 2460 feet FSL and 2460 feet FEL of Section 23 (Unit J)

SCB 23-21 Well:

Old Surface & Bottom hole: 2531 FSL and 1252 FEL of Section 23 (Unit I) New Surface & Bottom hole: 2460 FSL and 1160 FEL of Section 23 (Unit I)

For the East Loving-Delaware Leasehold Pilot Waterflood Project. The project is located approximately 2 miles East of Loving, New Mexico. IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT

CASE NO. 13787: Continued from the February 1, 2007 Examiner Hearing.

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. 1Y, 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.

<u>CASE NO. 13876:</u> Application of Magnum Hunter Production, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 28, Township 17 South, Range 30 East, NMPM, and in the following manner: The S/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; and the SE/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 Cagney "28" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SE/4 of Section 28. 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 1 mile south-southeast of Loco Hills, New Mexico.

CASE NO. 13866: Continued and Readvertised

Application of BEPCO, L.P. for an exception to Division Order No. R-111-P, Eddy County, New Mexico. Applicant seeks an order granting an exception to the casing and cementing requirements of Division Order No. R-111-P on wells drilled to the Delaware and Bone Spring formations on state and fee lands covering all of Sections 24, 25, and 36, Township 23 South, Range 29 East, NMPM, and the W/2 of Section 19, W/2 of Section 30, and NW/4 and W/2 SW/4 of Section 31, Township 23 South, Range 30 East, NMPM. This area is centered approximately 9-1/2 miles east of Loving, New