

Grayburg-Atoka Gas Pool; and the SW 4 for all formations and or pools developed on 160-acre spacing. OXY proposes to dedicate the above-referenced spacing or proration units to its Oxy Flameskimmer State Well No. 1 to be drilled at a standard gas well location 1650 feet from the South line and 1880 feet from the West line (Unit K) of said Section 9 or at another standard gas well location in the SW 4 of Said Section 9. 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 OXY USA WTP Limited Partnership as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 5 miles west of Loco Hill, New Mexico.

CASE NO. 13848: Continued from the November 30, 2006 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.

CASE NO. 13826: Continued from the December 13, 2006 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 4 SW 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. 13849: 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, S/2 NW 4, and SW 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 SW 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.

CASE NO. 13850: 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 the W/2 of Section 8, Township 30 North, Range 13 West, NMPM, to form a 320-acre gas spacing unit within that vertical extent. The unit is to be dedicated to the Lunt Well No. 11, to be drilled at an orthodox gas well location in the NW 4 NW 4 of Section 8. 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 7-1 2 miles south-southwest of LaPlata, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE NO. 13832: Continued from the December 13, 2006 Examiner Hearing.

Application of BEPCO, L.P. to rescind Administrative Order SWD-1044, Eddy County, New Mexico. Applicant seeks

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CONTINUED AND DISMISSED CASES

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: RICHARD EZEANYIM, Hearing Examiner

November 30th, 2006

Santa Fe, New Mexico

ORIGINAL

2006 DEC 13 PM 3 11

These matters were dismissed or continued to future hearing dates by RICHARD EZEANYIM, Hearing Examiner, New Mexico Oil Conservation Division, on Thursday, November 30th, 2006, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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I N D E X

November 30th, 2006
Continued and Dismissed Cases

PAGE

REPORTER'S CERTIFICATE

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* * *

1 WHEREUPON, the following proceedings were had at
2 8:15 a.m.:

3 EXAMINER EZEANYIM: This hearing will come to
4 order. Good morning, everybody, I thank you for coming on
5 this snowy and cold day. I didn't expect to see a crowd
6 like this, this is good. So we can carry on our business.

7 Today is November 30th, and we are going to
8 consider Docket Number 3806.

9 As always, we first of all call all the
10 continuances and dismissals.

11 On page 1, Case Number 13,793 is dismissed; Case
12 Number 13,822 is dismissed.

13 Page 2, Case Number 13,785 is continued to
14 January 4th.

15 Page 3, Case Number 13,826 is continued to
16 December 13th.

17 Page 4, Case Number 13,801 is dismissed; Case
18 Number 13,827 is dismissed.

19 Page 5, Case Number ~~13,793~~ is continued to
20 January 4.

21 Are there any dismissals or continuances at this
22 point?

23 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin.
24 The case on the first page, on the bottom, this OGX case,
25 it's my recollection that this was not to be dismissed but

1 to be continued to January 18th.

2 EXAMINER EZEANYIM: Which one? Which one are you
3 talking about?

4 MR. KELLAHIN: The very last one, 13,822.

5 EXAMINER EZEANYIM: Oh, Case Number 13,822 is
6 continued to January 18th.

7 MR. KELLAHIN: Thank you.

8 EXAMINER EZEANYIM: I'm sorry.

9 Any other continuances or dismissals?

10 (Thereupon, these proceedings were concluded at
11 8:17 a.m.)

12 * * *

13
14
15 I do hereby certify that the foregoing is
16 a complete and correct transcript of the
17 the Examination of Case No. 13,822
18 heard by me at 11/30/06
19 [Signature] Examiner
20 Oil Conservation Division
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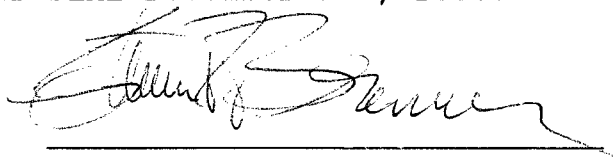
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL December 1st, 2006.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010