Examiner Hearing – July 26, 2007 Docket No. 22-07 Page 3 of 6

simultaneous dedication, Colfax County, New Mexico. Applicant seeks approval to drill its VPR E Well No. 64 as an infill well in an existing 160-acre gas spacing unit in the Vermejo and Raton formations comprising the NW/4 of Section 3, Township 31 North, Range 19 East, N.M.P.M. Applicant further seeks to simultaneously dedicate production from the Vermejo and Raton formations in the NW/4 of Section 3 to the VPR E Well No. 64, to be located in Unit C of Section 3, and to the existing VPR A Well No. 64, located in Unit E of Section 3. The unit is located approximately 25 miles west-northwest of Raton, New Mexico.

CASE 13903: (Continued from the June 21, 2007, Examiner Hearing.)

Application of El Paso E&P Company, L.P. for an exception to NMAC 19.15.3.104.C(3) to allow infill drilling and simultaneous dedication, Colfax County, New Mexico. Applicant seeks approval to drill its VPR E Well No. 63 as an infill well in an existing 160-acre gas spacing unit in the Vermejo and Raton formations comprising the NE/4 of Section 4, Township 31 North, Range 19 East, N.M.P.M. Applicant further seeks to simultaneously dedicate production from the Vermejo and Raton formations in the NE/4 of Section 4 to the VPR E Well No. 63, to be located in Unit A of Section 4, and to the existing VPR E Well No. 13, located in Unit G of Section 4. The unit is located approximately 25-1/2 miles west-northwest of Raton, New Mexico

<u>CASE 13904</u>: (Continued from the June 21, 2007, Examiner Hearing.)

Application of El Paso E&P Company, L.P. for an exception to NMAC 19.15.3.104.C(3) to allow infill drilling and simultaneous dedication, Colfax County, New Mexico. Applicant seeks approval to drill its VPR A Well No. 504 as an infill well in an existing 160-acre gas spacing unit in the Vermejo and Raton formations comprising the NE/4 of Section 10, Township 31 North, Range 19 East, N.M.P.M. Applicant further seeks to simultaneously dedicate production from the Vermejo and Raton formations in the NE/4 of Section 10 to the VPR A Well No. 504, to be located in Unit H of Section 10, and to the existing VPR A Well No. 77, located in Unit G of Section 10. The unit is located approximately 24-1/2 miles west-northwest of Raton, New Mexico.

CASE 13905: (Continued from the June 21, 2007, Examiner Hearing.)

Application of El Paso E&P Company, L.P. for an exception to NMAC 19.15.3.104.C(3) to allow infill drilling and simultaneous dedication, Colfax County, New Mexico. Applicant seeks approval to drill its VPR A Well No. 501 as an infill well in an existing 160-acre gas spacing unit in the Vermejo and Raton formations comprising the SE/4 of Section 10, Township 31 North, Range 19 East, N.M.P.M. Applicant further seeks to simultaneously dedicate production from the Vermejo and Raton formations in the SE/4 of Section 10 to the VPR A Well No. 501, to be located in Unit J of Section 10, and to the existing VPR A Well No. 71, located in Unit P of Section 10. The unit is located approximately 24-1/2 miles west-northwest of Raton, New Mexico.

CASE. 13906: (Continued from the June 21, 2007, Examiner Hearing.)

Application of El Paso E&P Company, L.P. for an exception to NMAC 19.15.3.104.C(3) to allow infill drilling and simultaneous dedication, Colfax County, New Mexico. Applicant seeks approval to drill its VPR A Well No. 503 as an infill well in an existing 160-acre gas spacing unit in the Vermejo and Raton formations comprising the NW/4 of Section 11, Township 31 North, Range 19 East, N.M.P.M. Applicant further seeks to simultaneously dedicate production from the Vermejo and Raton formations in the NW/4 of Section 11 to the VPR A Well No. 503, to be located in Unit C of Section 11, and to the existing VPR A Well No. 78, located in Unit F of Section 11. The unit is located approximately 24 miles west-northwest of Raton, New Mexico.

Case No. 13958: Application of Devon Energy Production Company, L.P. 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 Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 2, Township 22 South, Range 26 East, NMPM, to form a standard 320.63-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Happy Valley-Strawn Gas Pool, Undesignated Happy Valley-Atoka Gas Pool, and Undesignated Happy Valley-Morrow Gas Pool. The unit will be dedicated to the Perfecto 2 State Com. Well No. 2, to be drilled from a surface location in the SE/4 NE/4 of Section 3 (approximately 2100 feet from the North line and 150 feet from the East line), Township 22 South, Range 26 East, N.M.P.M., to a bottomhole location in the NW/4 SW/4 of Section 2 (approximately 1650 feet from the South line and 660 feet from the West line). 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 2-1/2 miles west of Carlsbad, New Mexico.