

13. **CASE 13981:** *(Continued from the October 3, 2007 Examiner Hearing.)*
Application of Nadel and Gussman Permian, L.L.C. for compulsory pooling and unorthodox gas well location, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 8, Township 13 South, Range 27 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 dedicated to the plugged and abandoned Pecos River Bluff Unit Well No. 1, to be re-named the Cazador Fed. Com. Well No. 1, to be re-entered at an unorthodox location 2034 feet from the North line and 660 feet from the East line of Section 8. 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 east of Dexter, New Mexico.

14. **CASE 14011:** ***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 the N/2 of Section 15, Township 19 South, Range 31 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, including the Undesignated West Lusk-Morrow Gas Pool. The unit will be dedicated to the Acme 15 Fed. Com. Well No. 3, to be drilled at an orthodox location in the NW/4 NE/4 of Section 15. 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 12 miles southeast of Loco Hills, New Mexico.

15. **CASE 14012:** ***Application of Cimarex Energy Co. of Colorado for special pool rules, Lea County, New Mexico.*** Applicant seeks an order establishing special rules and regulations for the Apache Ridge-Bone Spring Pool, including a special depth bracket allowable of 1300 barrels of oil per day and a limiting gas:oil ratio of 3000 cubic feet of gas for each barrel of oil produced, effective as of August 1, 2007. The pool covers parts of Section 36, Township 19 South, Range 33 East, N.M.P.M. and Sections 30-32, Township 19 South, Range 34 East, N.M.P.M. The pool is centered approximately 19-1/2 miles west of Monument, New Mexico.

16. **CASE 14013:** ***Application of J. Cleo Thompson & James Cleo Thompson, Jr., L.P. for an unorthodox oil well location and a non-standard oil spacing and proration unit, Lea County, New Mexico.*** Applicant seeks an order approving a non-standard oil spacing and proration unit comprised of the S/2 NW/4 of Section 13, Township 9 South, Range 37 East, NMPM, to form a non-standard 80-acre oil spacing and proration unit in the Undesignated Sawyer-Devonian Pool. The unit is to be dedicated to the JCT Fed. "13" Well No. 1, to be drilled at an unorthodox location 2252.7 feet from the North line and 1550.8 feet from the West line of Section 13. The unit is located approximately 13-1/2 miles east-northeast of Crossroads, New Mexico.

17. **CASE 13891:** *(Reopened) - (Continued from the September 20, 2007 Examiner Hearing.)*
Application of Petrohawk Energy Corporation for authorization to reactivate a waterflood project, Lea County, New Mexico. Applicant seeks approval of a waterflood project, including the reactivation of a previously approved waterflood (OCD Orders WFX-518 and WFX-530) in Sections 8 and 9, Township 22 South, Range 36 East, NMPM, to inject up to a total of 2000 barrels per day, at a maximum injection pressure of 750 psi, into the Queen Formation, at an approximate depth of 3790 feet to 3890 feet. The proposed waterflood involves the activation of five existing, temporarily plugged injection wells (State A/AC #61, #64, #65, #68, and #71). Petrohawk may be contacted through its representative, Mr. Alberto Gutierrez, 500 Marquette Ave., N.W., Suite 1350, Albuquerque, New Mexico 87102 or (505) 842-8000. These wells are located 5 miles southwest of Eunice, New Mexico.

18. **CASE 13897:** *(Continued from the September 20, 2007 Examiner Hearing)*
(This case will be continued to the November 1, 2007 Examiner Hearing.)
Application of Great Western Drilling Ltd. and Davoil, Inc. for an order re-opening Case No. 13897 (Application of Cimarex Energy Co. of Colorado for Pool Creation, a Discovery Allowable and Special Pool Rules), creating a new gas pool, rescinding Administrative Order NSL-5578, and shutting in and imposing a production penalty on the Keely 26 Federal Well No. 1, Eddy County, New Mexico. Applicant in the above-styled cause seeks to re-open Case No. 13897 (Application of Cimarex Energy Co. of Colorado for Pool

Creation, A Discovery Allowable, and Special Pool Rules, Eddy County, New Mexico) to allow Great Western Drilling and DAVOIL, Inc. to appear and present testimony in opposition to the application to classify this pool as an oil pool and to adopt special pool rules for this pool. Applicants also seek the rescission of Administrative Order NSL-5578 that approved an unorthodox location for the Keely 26 Fed. Well No. 1, located 1980 feet from the North line and 1550 feet from the East line of Section 26, the imposition of a penalty on production from this well if it is determined to be an oil well, and denial of a discovery allowable. The proposed new pool in the Wolfcamp formation is comprised of the NE/4 of Section 26, Township 17 South, Range 29 East, NMPM and is located 5 miles west-northwest of Loco Hills, New Mexico.

19. ***CASE 13991: (Continued from the September 20, 2007 Examiner Hearing.)***

Application of Chevron USA, Inc. for approval of a pilot project for the purpose of determining proper well density requirements for wells in the Basin-Fruitland Coal Gas Pool (San Juan, Rio Arriba, McKinley, Sandoval) County, New Mexico. Pursuant to Division Rule 104.D(3) applicant seeks approval for a pilot program in the Fruitland Coal formation, Basin-Fruitland Coal Gas Pool, to gather data to determine the appropriate well density in the Fruitland Coal formation for wells in pools governed by the “Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool” which currently limits well density to two wells on each 320-acre standard gas spacing unit. The pilot project area encompasses all or a portion of the following acreage in San Juan County, New Mexico:

Township 31 North, Range 7 West, NMPM
Sections 2, 3 and 10

The project area is located approximately 30 miles Northeast of Farmington, New Mexico.

20. ***CASE 13952: (Continued from the October 3, 2007 Examiner Hearing.)***

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 9, Township 17 South, Range 30 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 Undesignated Loco Hills-Morrow Gas Pool; 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; and the SE/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the Stewart “9” Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SW/4 of Section 9. 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 2 miles north of Loco Hills, New Mexico.

21. ***CASE 13940: (Continued from the October 3, 2007 Examiner Hearing)***

Application of Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc. for an order directing Pride Energy Company to plug and abandon the State “X” Well No. 1, Lea County, New Mexico. Applicants seek an order directing Pride Energy Company to plug and abandon the State “X” Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico. Said well and spacing unit are located approximately 12 miles west-northwest of Tatum, New Mexico.

22. ***CASE 13957: (Continued from the October 3, 2007 Examiner Hearing.)***

Amended Application of Energen Resources Corporation to Amend the Cost Recovery Provisions of Compulsory Pooling Order No. R-1960, To Determine Reasonable Costs, and for Authorization To Recover Costs From Production Of Pooled Mineral Interests, Rio Arriba County, New Mexico. Applicant seeks an order amending the cost recovery provisions of Order No. R-1960 pooling all interests in the Pictured Cliffs formation, (Tapacito-Pictured Cliffs Gas Pool) underlying the SW/4 of Section 2, Township 25 North, Range 3 West, forming a standard 160-acre spacing and proration unit. Applicant proposes the amendment of the cost recovery provisions under the original version of Order No. R-1960 to reflect the current custom and practice of the industry and the Division which allows well operators to recover the reasonable costs of operations and