

3. **CASE 13965:** *Application of Parallel Petroleum Corporation for authorization to simultaneously dedicate a standard gas spacing and proration unit in the Wolfcamp formation to two horizontal wellbores including an exemption to the well density requirements of Rule 104.D, Chaves County, New Mexico.* Applicant seeks authorization to dedicate a standard 320-acre spacing and proration unit comprised of the S/2 of Section 16, Township 15 South, Range 25 East, Chaves County, New Mexico in the Wolfcamp formation to the following two wells:

- (a) The Swale 1525-16 State Well No. 2 (API #3000563924) to be drilled at an unorthodox surface location 760 feet FSL and 190 feet FWL (Unit M) and then to penetrate the Wolfcamp formation within the standard producing area window at a standard subsurface location approximately 660 feet FWL and 760 feet FSL (Unit M) and then drilled horizontally in an easterly direction staying within the producing area not less than 660 feet from each of the end and side boundaries of this spacing unit and ending at a standard bottom hole location 760 feet FSL and 660 feet FEL, and
- (b) The Swale 1525-16 State Well No. 1 (API #3000563886) that has been drilled at an unorthodox surface location 1880 feet FSL and 208 feet FWL (Unit L) and penetrated the Wolfcamp formation within the standard producing area window at a standard subsurface location approximately 660 feet FWL and 660 feet FSL (Unit L) and then was drilled horizontally in an easterly direction staying within the producing area not less than 660 feet from each of the end and side boundaries of this spacing unit and ending at a standard bottom hole location 1880 feet FSL and 660 feet FEL.

These wells are located approximately 10 miles southwest of Hagerman, New Mexico.

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.

4. **CASE 13966:** *Application of U.S. Enercorp, Ltd. for two non-standard oil spacing and proration units, Rio Arriba County, New Mexico.* Applicant seeks an order approving two non-standard oil spacing and proration units, one comprised of Lots 1, 2, S/2 NE/4, and SE/4 (the E/2) of Section 2 (containing 322.65 acres), and one comprised of Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) of Section 3 (containing 321.39 acres), both in Township 23 North, Range 1 West, NMPM, for any and all formations or pools developed on 640-acre spacing within that vertical extent, including the West Puerto Chiquito-Mancos Pool. The units are located approximately 4 miles west-northwest of Gallina, New Mexico.
5. **CASE 13967:** *Application of Nearburg Exploration Company, L.L.C. for compulsory pooling, Lea County, New Mexico.* Applicant seeks an order pooling all mineral interests from the surface to the base of the Drinkard formation underlying the SW/4 SW/4 of Section 30, Township 16 South, Range 39 East, NMPM, 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 unit is to be dedicated to the Cone 30 Fee Well No. 1, located at an orthodox location in the SW/4 SW/4 of Section 30. 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 Nearburg Producing Company as operator of the proposed well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9-1/2 miles northwest of Humble City, New Mexico.
6. **CASE 13908:** *> (Continued)*  
*Application of OXY USA WTP, Limited Partnership, for authorization to simultaneously dedicate a standard spacing and proration unit in the Wolfcamp formation to a horizontal well and two vertical wells, Eddy County, New Mexico.* Applicant seeks authorization to dedicate a standard 320-acre spacing and proration unit comprised of the S/2 of Section 15, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico in the Wolfcamp formation, North Burton Flat-Wolfcamp Gas Pool, to the following three wells:

- 1. The Government AC Com Well No. 1 (API No. 30-015-21432) drilled as a vertical well located 660 feet from the South Line and 1980 feet from the West Line of said Section 15;
- 2. The Government AA Com Well No. 2 (API No. 30-015-33283) that has been drilled as a dual lateral

horizontal wellbore (directional well) from a surface location 190 feet from the North line and 350 feet from the West line of Section 23 to a bottom hole location 675 feet from the North Line and 261 feet from the East Line of Section 15 and a second lateral with a bottom hole location 678 feet from the South Line and 237 feet from the West line of Section 23; and

3. The Government AC Com Well No. 4 (API No. 30-015-32655) drilled as a vertical well located 660 feet from the South and East Lines of Section 15.

This acreage is located approximately 10 miles northeast of Carlsbad, New Mexico.

7. **CASE 13968:** *Application of Yates Petroleum Corporation for non-standard spacing and proration units, Chaves County, New Mexico.* Applicant seeks an order creating a non-standard 184.63-acre spacing and proration unit, for all formations and/or pools developed on 160-acre spacing, comprised of Lots 3 and 4 of irregular Section 36, Township 9 ½ South, Range 24 East, NMPM and Lots 3 and 4 and S/2 NW/4 of irregular Section 1, Township 10 South, Range 24 East, NMPM; and a non-standard 52.06-acre spacing and proration unit, for all formations and/or pools developed on 40-acre spacing, comprised of Lot 3 of said Section 36 and Lot 3 of said Section 1. Yates proposes to dedicate these non-standard spacing units to its Erma Com Well No. 3 to be drilled at a standard location 660 feet from the North line and 1980 feet from the West line to an approximate depth of 4774 feet. These non-standard units are located approximately 12 miles northeast of Roswell, New Mexico.
8. **CASE 13891 (Reopened):** (Continued from the July 26, 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.
9. **CASE 13969:** *Application of BP America Production Company to amend Order No. R-12658 to extend the authorized time within which to complete work on wells located in the Areas of Review for injection wells in the Washington "33" State Lease Waterflood Project, Eddy County, New Mexico.* Applicant seeks the amendment of Order No. R-12658 entered on November 7, 2006, to extend for six months the time authorized within which to complete work on specific wells located in the Areas of Review for certain new injection wells in the Washington "33" State Lease Waterflood Project which encompasses 600 acres, more or less, of State of New Mexico lands, which is a single oil and gas lease, that is comprised of the following acreage:

**TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM,**  
**EDDY COUNTY, NEW MEXICO**

Section 33: S/2, NE/4, S/2 NW/4, NE/4 NW/4

Said area is located approximately 2 miles southwest of Mossman, New Mexico.

10. **CASE 13952:** (Continued from the July 12, 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