

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.

7. **CASE NO. 13972:** *Application of Beach Exploration, Inc. for statutory unitization, Eddy County, New Mexico.* Applicant seeks an order unitizing all mineral interests in the Queen Sand member of the Turkey Track-Seven Rivers-Queen-Grayburg-San Andres Pool underlying parts of Sections 1, 2, and 11, Township 19 South, Range 29 East, NMPM, comprising 1040.00 acres of state lands for its proposed Eastland Queen Unit. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 et seq., will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate. The unit area is centered approximately 10 miles south-southwest of Loco Hills, New Mexico.
8. **CASE NO. 13973:** *Application of Beach Exploration, Inc. for approval of a waterflood project and to qualify the project for the Recovered Oil Tax Rate, Eddy County, New Mexico.* Applicant seeks approval to institute a waterflood project in the Queen Sand member of the Turkey Track-Seven Rivers-Queen-Grayburg-San Andres Pool by the injection of water into eighteen wells located on state lands covering parts of Sections 1, 2, and 11, Township 19 South, Range 29 East, NMPM. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1-5). The project is centered approximately 10 miles south-southwest of Loco Hills, New Mexico.
9. **CASE NO. 13974:** *Application of Corkran Energy, LP to amend Division Order No. R-12702 for compulsory pooling, Eddy County, New Mexico.* Applicant seeks an order amending order No. R-12702, which pooled all mineral interests from the surface to the base of the Morrow formation underlying the E/2 of Section 16, Township 23 South, Range 24 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the Undesignated South Bandana Point-Strawn Gas Pool, Undesignated Robina Draw-Atoka Gas Pool, and Undesignated Bandana Point-Strawn Morrow Pool. The unit is dedicated to the Renata "16" State Well No. 1, to be drilled at an orthodox location in the NE/4 NE/4 of Section 16. Order No. R-12702 stated the well's location as 660 feet from the North and East lines of Section 16, but due to topography the well's location has been moved to 660 feet from the North line and 910 feet from the East line. Applicant requests that Order No. R-12702 be amended to reflect the correct location, and that all other provisions of the order remain the same. The unit is located approximately 11-1/2 miles northwest of Whites City, New Mexico.
10. **CASE NO. 13975:** *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 Barnett Shale underlying the following described acreage in Section 22, Township 19 South, Range 31 East, NMPM, and in the following manner: The E/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 West Lusk-Morrow Gas Pool; the SE/4 to form a standard 160-acre oil or gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent, including the Undesignated Lusk-Strawn Pool; and the NE/4 SE/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, including the Undesignated West Lusk-Yates Pool, Undesignated Hackberry-Delaware Pool, and Undesignated Hackberry-Bone Spring Pool. The units are to be dedicated to the Arenoso "22" Fed. Well No. 2, to be drilled from an orthodox surface location in the NE/4 SE/4 of Section 22 to an orthodox bottom hole location in the NW/4 SE/4 of Section 22. 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 units are located approximately 13 miles southeast of Loco Hills, New Mexico.