

4. **CASE 13981:** (Continued from the September 20, 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.
5. **CASE 14001:** *Application of Chesapeake Exploration, L.L.C. for statutory unitization of the Quail-Queen Unit Area, Lea County, New Mexico.* Applicant seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interest in the Queen formation, Quail-Queen Pool, underlying 840 acres, more or less, of State and Fee lands in the following acreage:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 11:	S/2, NE/4
Section 13:	W/2 NW/4, NW/4 SW/4
Section 14:	NE/4, N/2 NW/4

Said unit to be designated the Quail-Queen Unit. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the designation 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 investment, to each of the various 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 for carrying on efficient unit operations; including but not limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a non-consent penalty for risk to be charged against carried working interests within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 22 miles West of Hobbs, New Mexico.

6. **CASE 14002:** *Application of Chesapeake Exploration, L.L.C. for approval of a waterflood project and qualification of the Project Area of the Quail-Queen Unit for the Recovered Oil Tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.* Applicant seeks approval of its Quail-Queen Unit Waterflood Project by injection of water into the Queen formation through six injection wells located in the following described area:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM

Section 11:	S/2, NE/4
Section 13:	W/2 NW/4, NW/4 SW/4
Section 14:	NE/4, N/2 NW/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the unit area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations. Said area is located approximately 22 miles west of Hobbs, New Mexico.

7. **CASE 13952:** (Continued from the September 20, 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.

8. **CASE 13940:** *(Continued from the September 20, 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.
9. **CASE 13957:** *(Continued from the September 20, 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 supervision. Applicant also seeks authorization to sell a portion or all of the pooled working interest share of production of a non-selling mineral interest owner and to obtain reimbursement of costs therefrom. The lands that are the subject of the application are located approximately one mile west of Ojito, New Mexico.
10. **CASE 14003:** ***In the matter of the hearing called by the Oil Conservation Division for an order creating the following pool in Catron County, New Mexico.***

(a) CREATE a new pool in Catron County, New Mexico for the production of carbon dioxide gas from the Pennsylvanian formation and designated as the Cottonwood-Canyon Pool (**Pool Code 97643**). The discovery well is the Ridgeway Arizona Oil Corporation Cottonwood Canyon Unit Well No. 001 (**API No. 30-003-20022**) located in Unit D of Section 36, Township 1 South, Range 21 West, NMPM. Said pool would comprise:

TOWNSHIP 1 NORTH, RANGE 21 WEST, NMPM

Section 3: All

Section 4: Lots 1 through 4, Unit Letters G through J,
Lots 5 and 6, Unit Letters O and P

Section 9: Unit Letters A and B, Lots 1 and 2,
Unit Letters G through J, Lots 3 and 4,
Unit Letters O and P

Section 10: All

Section 15: All

Section 16: Unit Letters A and B, Lots 1 and 2,
Unit Letters G through J, Lots 3 and 4,
Unit Letters O and P

Section 21: Unit Letters A and B, Lots 1 and 2,
Unit Letters G through J, Lots 3 and 4,
Unit Letters O and P