

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 20, 2007

8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 29-07 and 30-07 are tentatively set for October 3 and October 18, 2007. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Cases will be heard by an Examiner.

<i>Locator Key for Cases</i>	
<i>Case 13824</i>	<i>- No. 20</i>
<i>Case 13888</i>	<i>- No. 5</i>
<i>Case 13891</i>	<i>- No. 11</i>
<i>Case 13897</i>	<i>- No. 10</i>
<i>Case 13940</i>	<i>- No. 27</i>
<i>Case 13942</i>	<i>- No. 2</i>
<i>Case 13952</i>	<i>- No. 29</i>
<i>Case 13957</i>	<i>- No. 28</i>
<i>Case 13967</i>	<i>- No. 17</i>
<i>Case 13972</i>	<i>- No. 23</i>
<i>Case 13973</i>	<i>- No. 24</i>
<i>Case 13975</i>	<i>- No. 16</i>
<i>Case 13981</i>	<i>- No. 13</i>
<i>Case 13984</i>	<i>- No. 1</i>
<i>Case 13985</i>	<i>- No. 3</i>
<i>Case 13986</i>	<i>- No. 4</i>
<i>Case 13987</i>	<i>- No. 6</i>
<i>Case 13988</i>	<i>- No. 7</i>
<i>Case 13989</i>	<i>- No. 8</i>
<i>Case 13991</i>	<i>- No. 9</i>
<i>Case 13992</i>	<i>- No. 12</i>
<i>Case 13993</i>	<i>- No. 14</i>
<i>CASE 13994</i>	<i>- No. 15</i>
<i>Case 13995</i>	<i>- No. 18</i>
<i>Case 13996</i>	<i>- No. 19</i>

1. **CASE 13984:** *(This case will be dismissed.)*

Application of Chaparral Energy, LLC for compulsory pooling, Lea County, New Mexico. Chaparral Energy, LLC seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the SE/4 NE/4 of Section 17, Township 25 South, Range 36 East, NMPM, to form a standard 40-acre spacing and proration unit developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the West Jal B Deep No. 1 well, which is located at an orthodox well location. Also to be considered will be the cost of re-entering and recompleting the West Jal B Deep No. 1 well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision and a 200% charge for the risk involved in re-entering and recompleting the well. The unit is located approximately 5.5 miles east of Jal, New Mexico.

2. **CASE 13942:** *(Continued from the August 23, 2007 Examiner Hearing)*

Application of Encore Acquisition Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in the Morrow formation underlying the N/2 of Section 22, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico. Applicant proposes to drill its Encore 22 State Com. Well No. 1 to be located at a standard gas well location 1730 feet from the North line and 1000 feet from the East line of said Section 22. Applicant seeks to dedicate the N/2 of Section 22 to the well to form a standard 320-acre gas spacing and proration unit for any formations and/or pools developed on 320-acre spacing within that vertical extent, including the Morrow formation. Also to be considered will be the cost of

drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as operator of the well and a charge for risk involved in drilling said well. The subject lands are located approximately 3 miles east of Buckeye, New Mexico.

3. **CASE 13985: Application of Parallel Petroleum Corporation for compulsory pooling, Chaves County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 28, T15S, R25E, NMPM, in the following manner: the N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre gas spacing within that vertical extent. This unit is to be dedicated to its Native Dancer 1525-8 Well No. 1 (API#30-005-63916) which will be located at an unorthodox surface location 760 feet FNL and 168 feet FWL (Unit D) and deviated so that when the wellbore penetrates the Wolfcamp formation it will be at a standard subsurface location, 760 feet FNL and 660 feet FWL (Unit D) then drilled horizontally in an easterly direction staying within a producing area 660 feet from each of the end and side boundaries of this spacing unit and ending at a standard bottomhole location 760 feet FNL and 660 feet FEL (Unit A). Also to be considered will be the costs of drilling and completing this well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a 200% charge for risk involved in this well. This unit is located approximately 4 miles west of Lake Arthur, New Mexico.

4. **CASE 13986 : Application of Parallel Petroleum Corporation, for the adoption of special rules and regulations for the Walnut Creek-Wolfcamp Gas Pool, Chaves County, New Mexico.** Applicant requests that the Division enter an order adopting special rules and regulations for the Walnut Creek-Wolfcamp Gas Pool (Pool code #97631) a recently created pool for Wolfcamp formation gas production, to authorize the drilling and simultaneous dedication of a standard gas spacing and proration unit in the Wolfcamp formation for two horizontal wellbores including an exemption to the well density requirements of Rule 104.D. This pool is located in the S/2 of Section 16, T15S, R25E approximately 10 miles Southeast from Hagerman, New Mexico.

5. **CASE 13888: (Reopened and Amended) Applicant has filed a motion to reopen and amend well locations for this case previously heard by the Division on March 15, 2007 that involved the application of Burlington Resources Oil & Gas Company LP for approval of a Pilot Infill Well Project within the San Juan 27-5 Unit, Rio Arriba County, New Mexico.** Applicant seeks an order approving a pilot infill well project in Section 8, T27N, R5W, including directional wellbores and exceptions from Rule I. B of the Special Rules and Regulations for the BlancoMesaverde Gas Pool and Rule II B. of the Special Rules and Regulations of the Basin-Dakota Gas Pool whereby 15 new producing wells and 1 pressure observation well may be drilled within Section 8, Township 27 North, Range 5 West to determine proper well density and well location requirements for Mesaverde and Dakota wells within this Unit, Rio Arriba County, New Mexico. The following is the revised surface and subsurface locations to each new wellbore:

well	New			
Name	Well	Footage_Surface	Footage_bh!	Twin Well Name
SJ27_5	910	1586'FSL& 1745' FEL	2710'FSL& 2350' FEL	New5wellpad
SJ_27_5	912	1635' FSL& 1733' FEL	2610' FSL& 1150'FEL	:New Swell pad
SJ 27-5	914	1486' FSL & 1768' FEL	1125' FSL & 2410' FEL	New 5 well pad
SJ 27_5	915	1437' FSL & 1780' FEL	1115' FSL & 1050' FEL	News well pad
SJ 27_5	911	1536' FSL & 1757' FEL		New 5 well pad -
SJ 27 5	906	1852' FNL & 984' FWL	2605' FSL & 1590' FWL	San Juan 27-5 Unit 112
SJ 275	916	2541' FNL & 2452' FWL	2655' FSL & 2300'	'San Juan 27-5 Unit 112F
SJ 27_5	902	591' FNL & 1614 FWL	920' FNL & 2325' FWL	San Juan 27-5 Unit
SJ 27_5	901	1646' FNL & 1146' FWL	960' FNL & 1040' FWL	San Juan 27-5 Unit 150R
SJ 27_5	904	1794' FNL & 1193' FWL	2310' FNL & 890' FWL	San Juan 27-5 Unit 150R
SJ 27_5	905	1695' FNL & 1161'	1635' FNL & 1665' FWL	San Juan 27-5 Unit 150R
SJ 2715	909	886' FNL & 1892' FWL	1920' FSL & 2280' FWL	San Juan 27-5 Unit 63
SJ27_5	913	853' FSL&1846'FWL	1135' FSL& 1605' FWL	San Juan 27-5 Unit 63