## Examiner Hearing – February 21, 2008 Docket No. 6-08 Page 6 of 7

dedicated to the Sunshine Well No. 1, a horizontal well drilled at a surface location 2235 feet from the South line and 660 feet from the West line of Section 13, with a terminus 379 feet from the South line and 664 feet from the West line of Section 13. 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 5-1/2 miles southeast of Prairieview, New Mexico.

18. CASE 14092: Application of Koch Exploration Company, LLC for exception to the well density provisions of the special rules and regulations for the Basin-Fruitland Coal Gas Pool to authorize two additional infill wells and for simultaneous dedication, San Juan County, New Mexico. Applicant seeks an order providing an exception to the well density provisions of the rules and regulations for the Basin-Fruitland Coal Gas Pool (71629) for the drilling of two additional infill wells at standard gas well locations in certain standard 320-acre + spacing and proration within the Pool. Applicant currently operates an original and one infill well and seeks authorization to drill two additional infill wells in each of the following units:

## Township 29 North, Range 9 West

Section 21: W/2 Section 23: W/2 Section 24: W/2 Section 25: E/2 Section 29: E/2 Section 32: E/2

Each of the above-referenced spacing units is located within the low- productivity area of the Basin-Fruitland Coal Gas Pool defined by Rule 7(C) of the Special Rules and Regulations for the Pool, promulgated by Order R-8768-F. These units are located approximately two miles southeast of Blanco, New Mexico.

- 19. <u>CASE 14062</u>: (Continued from the January 24, 2008 Examiner Hearing.)
  - Application of Chesapeake Operating, Inc. for rescission of the Special Rules and Regulations for the South Culebra Bluff-Bone Spring Pool, Eddy County, New Mexico. Applicant seeks rescission of the Special Rules and Regulations for the South Culebra Bluff-Bone Spring Pool to permit the pool to be developed under the current General Rule 104 for oil that provides for 40-acre spacing units with wells located no closer than 330 feet to any boundary of such unit. The South Culebra Bluff-Bone Spring Pool includes the following acreage in Eddy County, New Mexico: the S/2 of section 34 and the W/2 of section 35, Township 22 South, Range 28 East, NMPM; sections 2, 11, 13 through 16, the NE/4 of section 21, the NE/4 of section 22, sections 23 through 27, Township 23 South, Range 28 East, NMPM; SW/4 of section 7, the NW/4 of section 18, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico. Said pool is located less than a mile to the northeast and to the south of Loving, New Mexico.
- 20. <u>CASE 14081</u>: (Continued from the February 7, 2008 Examiner Hearing.)
  Application of Yates Petroleum Corporation for approval of a Unit Agreement, Eddy County, New Mexico.
  Applicant seeks approval of the Thurman Draw Exploratory Unit from the surface to the base of the Barnett Shale formation in an area comprising 5,780.38 acres of Federal, State of New Mexico and Fee lands in Sections 8, 9, 10, 15, 16, 17, 20, 21 and 22 in Township 26 South, Range 23 East, NMPM, which is located approximately 14 miles southwest of White's City, New Mexico.
- 21. <u>CASE 14093:</u> Application of EOG Resources Inc. for a non-standard spacing unit, Lea County, New Mexico. Applicant seeks an exception to the spacing provisions of the North Lovington-Wolfcamp Pool allowing development on the same spacing and proration unit previously approved for the Diamond-Strawn Pool in Section 15, Township 16 South, Range 36 East, NMPM. Said spacing unit is located in the NE/4 NW/4 of said section. Said area is located on the southern edge of Lovington, New Mexico.
- 22. <u>CASE 14025</u>: Re-advertised (Continued from the February 7, 2008 Examiner Hearing.)

  Application of Marbob Energy Corporation for an order authorizing the drilling of a well in the Potash Area, Lea County, New Mexico. Applicant seeks an order approving the drilling of its proposed Snyder 2K Fee Well No. 1 to test the Morrow formation, Undesignated Gem-Morrow Gas Pool within the Potash Area at a