

17. **CASE 14023:** *Application of Chesapeake Operating, Inc. for rescission of the Special Rules and Regulations for the T-V Pennsylvanian Gas Pool, Chaves County, New Mexico.* Applicant seeks rescission of the Special Rules and Regulations for the T-V Pennsylvanian Gas Pool to permit the pool to be developed under the current General Rule 104.C(2) for deep gas that provides for 320-acre spacing units with wells located no closer than 660 feet from the outer boundary of the quarter section on which the well is located and no closer than 10 feet to any quarter-quarter section line or subdivision inner boundary. The T-V Pennsylvanian Gas Pool includes the following acreage in Chaves County, New Mexico: the N/2 of Section 22 and the W/2 of Section 23, Township 11 South, Range 31 East, NMPM.
18. **CASE 14001:** *(Continued from the October 3, 2007 Examiner Hearing.) 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

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|-------------|---------------------|
| 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.

19. **CASE 14002:** *(Continued from the October 3, 2007 Examiner Hearing.) 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

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|-------------|---------------------|
| 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.

20. **CASE 13897:** *(Continued from the October 18, 2007 Examiner Hearing) Application of Great Western Drilling Ltd. and Davoil, Inc. for an order re-opening Case No. 13897 (Application of Cimarex Energy Co. of Colorado for Pool Creation, a Discovery Allowable and Special Pool Rules), creating a new gas pool, rescinding Administrative Order NSL-5578, and shutting in and imposing a production penalty on the Keely 26 Federal Well No. 1, Eddy County, New Mexico.* Applicant in the above-styled cause seeks to re-open Case No. 13897 (Application of Cimarex Energy Co. of Colorado for Pool