

Creation, A Discovery Allowable, and Special Pool Rules, Eddy County, New Mexico) to allow Great Western Drilling and DAVOIL, Inc. to appear and present testimony in opposition to the application to classify this pool as an oil pool and to adopt special pool rules for this pool. Applicants also seek the rescission of Administrative Order NSL-5578 that approved an unorthodox location for the Keely 26 Fed. Well No. 1, located 1980 feet from the North line and 1550 feet from the East line of Section 26, the imposition of a penalty on production from this well if it is determined to be an oil well, and denial of a discovery allowable. The proposed new pool in the Wolfcamp formation is comprised of the NE/4 of Section 26, Township 17 South, Range 29 East, NMPM and is located 5 miles west-northwest of Loco Hills, New Mexico.

19. **CASE 13991:** (Continued from the September 20, 2007 Examiner Hearing.)

Application of Chevron USA, Inc. for approval of a pilot project for the purpose of determining proper well density requirements for wells in the Basin-Fruitland Coal Gas Pool (San Juan, Rio Arriba, McKinley, Sandoval) County, New Mexico. Pursuant to Division Rule 104.D(3) applicant seeks approval for a pilot program in the Fruitland Coal formation, Basin-Fruitland Coal Gas Pool, to gather data to determine the appropriate well density in the Fruitland Coal formation for wells in pools governed by the "Special Rules and Regulations for the Basin-Fruitland Coal Gas Pool" which currently limits well density to two wells on each 320-acre standard gas spacing unit. The pilot project area encompasses all or a portion of the following acreage in San Juan County, New Mexico:

Township 31 North, Range 7 West, NMPM
Sections 2, 3 and 10

The project area is located approximately 30 miles Northeast of Farmington, New Mexico.

20. **CASE 13952:** (Continued from the October 3, 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.

21. **CASE 13940:** (Continued from the October 3, 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.

22. **CASE 13957:** (Continued from the October 3, 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.