Examiner Hearing – March 31, 2009 Docket No. 11-09 Page 4 of 4

Undesignated Revelation-Atoka Gas Pool, Undesignated Revelation-Morrow Gas Pool, and Undesignated Happy Valley-Morrow Gas Pool; Lots 7-10 (the NW/4) to form a non-standard 176.05-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and Lot 9 (the SW/4 NW/4) to form a non-standard 44.43-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent, including the Undesignated Happy Valley-Bone Spring Pool. The units are to be dedicated to the proposed Hackberry Hills "1" Fed. Well No. 1, to be drilled at an orthodox location in Lot 9 of Section 1. 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 units are located approximately 7 miles West of Carlsbad, New Mexico.

- 10. CASE 14300: (This case will be continued to the April 16, 2009 Examiner Hearing.)

 Application of Chesapeake Operating, Inc. for special rules and regulations for the Southwest Willow Lake Delaware Pool, Eddy County, New Mexico. Applicant seeks establishment of special rules and regulations for the Southwest Willow Lake Delaware Pool, including a special depth bracket allowable of 800 barrels of oil per day and a limiting gas: oil ratio of 2000 cubic feet of gas for each barrel of oil produced, effective January 1, 2009. The pool is located in Sections 3, 4, 9, 10 and 15 of Township 25 South, Range 28 East, NMPM, Eddy County. Said area is located approximately 3 miles South of Malaga, New Mexico.
- 11. CASE 14301: (This case will be continued to the April 16, 2009 Examiner Hearing.)

 Application of Chesapeake Operating, Inc. for special rules and regulations for the Lost Tank

 Delaware Pool, Lea County, New Mexico. Applicant seeks establishment of special rules and
 regulations for the Lost Tank Delaware Pool, including a special depth bracket allowable of 400
 barrels of oil per day and a limiting gas: oil ratio of 2000 cubic feet of gas for each barrel of oil
 produced, effective January 1, 2009. The pool is located in Sections 24, 25, 34, 36 and 36 of
 Township 21 South, Range 31 East; Sections 17, 18, 19, 30 and 31 of Township 21 South, Range 32
 East; Sections 1 and 2, Township 22 South, Range 31 East; and Section 6, Township 22 South, Range
 32 East, NMPM, Lea County. Said area is located approximately 45.3 miles East of Hobbs, New
 Mexico.
- Application of Cimarex Energy Co. for cancellation of two applications for permit to drill issued to COG Operating LLC, Chaves County, New Mexico. Cimarex Energy Co. seeks an order canceling applications for permit to drill issued to COG Operating LLC for the proposed Taurus State Com. Well No. 2, a horizontal Wolfcamp well located in the N½S½ of Section 10, Township 15 South, Range 31 East, N.M.P.M. (API No. 30-005-27995), and the proposed Taurus Fed. Well No. 1, a horizontal Wolfcamp well located in the S½S½ of Section 10, Township 15 South, Range 31 East, N.M.P.M. (API No. 30-005-28000). The well units are located approximately 16 miles northnortheast of Loco Hills, New Mexico.
- 13. CASE 14271: (Continued from the March 19, 2009 Examiner Hearing.)

 Application of Vanguard Permian, LLC for a non-standard gas spacing and proration unit and an unorthodox gas well location, Lea County, New Mexico. Applicant seeks an order approving a non-standard gas spacing and proration unit in the Queen formation (Byers-Queen Gas Pool) comprised of the N½NE¼ of Section 32, Township 18 South, Range 38 East, NMPM, and an unorthodox gas well location in the Queen formation for the State A Well No. 7, located 760 feet from the North line and 500 feet from the East line of Section 32. The well unit is located approximately 2-1/2 miles west-northwest of the intersection of State Highway 18 with U.S. Highway 62/180.