Examiner Hearing – July 23, 2009 Docket No. 26-09 Page 8 of 8

- B. SW/4 NW/4 to be dedicated to its Paloma Ridge 28 Federal Well No. 2 to be drilled at a standard location to be drilled to an approximate total depth of approximately 5050;
- C. SE/4 NW/4 to be dedicated to its Paloma Ridge 28 Federal Well No. 3 to be drilled at a standard location to be drilled to an approximate total depth of approximately 5050;
- D. NE/4 NW/4 to be dedicated to its Paloma Ridge 28 Federal Well No. 4 to be drilled at a standard location to be drilled to an approximate total depth of approximately 5050;

Also to be considered will be the cost of drilling and completing these wells as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling these wells. Said area is located approximately 20 miles West of Hobbs, New Mexico.

- 25. CASE 14322: (Continued from the July 9, 2009 Examiner Hearing.)
 - Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the Yates formation to the base of the Queen formation in three 40-acre spacing and proration units located in the NW/4 of Section 28, Township 19 South, Range 34 East, N.M.P.M., Lea County, New Mexico to test any and all pools in these formations:
 - (a) SW/4 NW/4 to be dedicated to its Paloma Ridge 28 Federal Well No. 2 to be drilled at a standard location to be drilled to an approximate total depth of approximately 5025;
 - (b) SE/4 NW/4 to be dedicated to its Paloma Ridge 28 Federal Well No. 3 to be drilled at a standard location to be drilled to an approximate total depth of approximately 5025;
 - (c) NE/4 NW/4 to be dedicated to its Paloma Ridge 28 Federal Well No. 4 to be drilled at a standard location to be drilled to an approximate total depth of approximately 5025;

Also to be considered will be the cost of drilling and completing these wells as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells and a charge for risk involved in drilling these wells. Said units are located approximately 20 miles West of Hobbs, New Mexico.

26. CASE 14339: (Continued from the July 9, 2009 Examiner Hearing.)

Application of OGX Resources, LLC for approval of a salt water disposal well, Eddy County, New Mexico. Applicant, OGX Resources, LLC, PO Box 953, Midland, Texas 79702, seeks approval to re-enter the Latham Federal Well No. 1 (API No. 30-015-22752) located 1980 feet from the South line and 1800 feet from the East line (Unit J) of Section 15, Township 25 South, Range 29 East, NMPM, Eddy County, New Mexico to dispose of produced water. Applicant proposes to inject into the Delaware formation at an approximate depth of 3306 feet to 4600 feet. The average and maximum injection rates will be 2000 and 4000 barrels of water per day and the average and maximum surface injection pressure is anticipated to be 661 psi and 1050 psi. Additional information may be obtained by contacting Ann Ritchie, OGX Resources, LLC at (432) 684-6381. Said well is located 14 miles Southeast of Lovington, New Mexico.

27. CASE 143.19: (Continued from the July 9, 2009 Examiner Hearing.)

Application of Texland Petroleum, L.P. for a Non-Standard Gas Spacing Unit and Non-Standard Gas Well Location, Lea County, New Mexico. Applicant seeks approval of a non-standard 80-acre gas spacing unit in the Byers-Queen Gas Pool (73600) consisting of the S/2 SE/4 of Section 29, Township 18 South, Range 38 East, Lea County, New Mexico. Applicant proposes to dedicate this non-standard unit to its State 1-29 Well No. 5 (API No. 30-025-23173), which it requests approval to re-complete as a Queen gas well at a non-standard location 330 feet from the South line and 2218 feet from the West line (Unit O) of Section 29.