

17. **CASE 14365:** *Application of COG Operating LLC for designation of a non-standard spacing unit and for compulsory pooling, Eddy County, New Mexico (Blackhawk "11" Fed Com No. 1-H).* Applicant seeks an order consolidating the 40-acre spacing units within the S/2 S/2 of Section 11, Township 16 South, Range 28 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit in the Abo/Wolfcamp formation (Crow Flats-Wolfcamp Pool) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Abo/Wolfcamp formation underlying the S/2 S/2 of said Section 11 to be dedicated to its Blackhawk "11" Fed Com No. 1-H to be drilled horizontally from a surface location 430 feet from the South line and 430 feet from the West line to a bottomhole location 330 feet from the South line and 330 feet from the East line to a depth sufficient to test the Abo/Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 11 miles northwest of Loco Hills, New Mexico.
18. **CASE 14366:** *Application of COG Operating LLC for designation of a non-standard spacing unit, unorthodox well location, and for compulsory pooling, Eddy County, New Mexico (Blackhawk "11" Fed Com No. 2-H).* Applicant seeks an order consolidating the 40-acre spacing units within the NE/4 SW/4 and N/2 SE/4 of Section 11, Township 16 South, Range 28 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit for an unorthodox well location in the Abo/Wolfcamp formation (Crow Flats-Wolfcamp Pool) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Abo/Wolfcamp formation underlying the NE/4 SW/4 and N/2 SE/4 of said Section 11 to be dedicated to its Blackhawk "11" Fed Com No. 2-H to be drilled horizontally from an unorthodox surface location 1880 feet from the South line and 1590 feet from the West line to a bottomhole location 1650 feet from the South line and 330 feet from the East line to a depth sufficient to test the Abo/Wolfcamp formation. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 11 miles northwest of Loco Hills, New Mexico.
19. **CASE 14323: Readvertised**
Application of Chesapeake Energy Corporation for cancellation of a permit to drill ("APDs") issued to COG Operating LLC, Eddy County, New Mexico. Applicant seeks an order cancelling the Division's approval of the following application for permit to drill ("APD") issued to COG Operating LLC ("COG"), API 30-015-36541 for the Blackhawk "11" Federal Com #1H Well, a horizontal wellbore with a surface location in Unit M and a subsurface location in Unit P of Section 11, Township 16 South, Range 28 East, Eddy County and to be dedicated to a non-standard 160-acre spacing unit consisting of the S/2 S/2 of this section. This unit is located approximately 15 miles northeast of Artesia, New Mexico.
20. **CASE 14353:** (Continued from the July 23, 2009 Examiner Hearing.)
Application of Chi Energy, Inc. for approval of a secondary recovery project and to qualify the project for the Recovered Oil Tax Rate, Eddy County, New Mexico. Applicant seeks approval to institute a waterflood project in the Brushy Canyon member of the Delaware formation (Benson-Delaware Pool) by the injection of water into nine wells located on federal lands covering parts of Sections 1, 11, and 12, Township 19 South, Range 30 East, N.M.P.M. Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1-5). The project is centered approximately 10 miles South-Southeast of Loco Hills, New Mexico.
21. **CASE 14354:** (Continued from the July 23, 2009 Examiner Hearing.)
Application of Chi Energy, Inc. for statutory unitization, Eddy County, New Mexico. Applicant seeks an order unitizing all mineral interests in the Brushy Canyon member of the Delaware formation (Benson-Delaware Pool) underlying parts of Sections 1, 11, and 12, Township 19 South, Range 30 East, N.M.P.M., comprising 640.00 acres of federal lands for its proposed Benson Delaware Unit. Among the matters to be considered at hearing, pursuant to the New Mexico Statutory Unitization Act, NMSA 1978 §§70-7-1 et seq., will be: The necessity of unit operations; the determination of horizontal and vertical limits of the unit area; the designation of Chi Operating, Inc. as unit operator; the determination of the fair, reasonable, and equitable allocation of production and costs of production, including capital investments, to each of the 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. The unit area is centered approximately 10 miles South-Southeast of Loco Hills, New Mexico.
22. **CASE 14173:** (Continued from the July 23, 2009 Examiner Hearing.)
Application of Kaiser-Francis Oil Company for an exception to Division Rule 104.C(2), Lea County, New Mexico. Applicant seeks an exception to Division Rule 104.C(2) to drill and produce its Bell Lake Unit Well No. 33 as an infill well in an existing 318.38 acre gas spacing unit in the South Bell Lake-Morrow Gas Pool comprising Lots 6, 7, E½SW¼, and SE¼ (the S½ equivalent) of Section 6, Township 24 South, Range 34 East, N.M.P.M., at an orthodox gas well location in

the NE $\frac{1}{4}$ SE $\frac{1}{4}$ (Unit I) of Section 6. Applicant further seeks to simultaneously dedicate production from the South Bell Lake-Morrow Gas Pool in Section 6 to the Bell Lake Unit Well No. 33 and to Kaiser-Francis Oil Company's existing Bell Lake Unit Well No. 26, located 1650 feet from the south line and 660 feet from the east line (Unit I) of Section 6. The two wells shall not produce concurrently from the same Morrow sands. The well unit is located approximately 23 miles southwest of Oil Center, New Mexico.

23. **CASE 14331: (re-advertised)** *(Continued from the August 6, 2009 Examiner Hearing.)*
First Amended Application of XTO Energy, Inc. for compulsory pooling and downhole commingling, San Juan County, New Mexico. Applicant seeks an order pooling all mineral interests in the Pictured Cliffs/Chacra formations underlying the NE $\frac{1}{4}$ of Section 24, T29N, R10W, NMPM, San Juan County, New Mexico, forming a standard 160-acre gas spacing and proration unit for any production from the Pictured Cliffs/Chacra formations, including but not limited to the Aztec-Pictured Cliffs Gas Pool. This unit is to be dedicated its Martinez Gas Com D Well No. 001R (API# 30-045-34063) drilled but not completed at a standard location in Unit B of this section. Also to be considered will be the costs of drilling and completion this well and the allocation of the costs between the Pictured Cliffs and the Chacra formation as well as actual operating costs and charges for supervision, designation of the applicant as the operator of the well and a 200% charge for risk involved in this well. In addition, Applicant seek approval to downhole commingle production in the Pictured Cliffs with the Chacra formations, including the allocation of production, accordance with Division Rule 19.15.12.11. This unit is located approximately 1/3 mile Southeast from Blanco, New Mexico.
24. **CASE 14357:** *(Continued from the August 6, 2009 Examiner Hearing.)*
Application of Mack Energy Corporation for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order creating a non-standard spacing and proration unit in the Abo formation, Undesignated County Line Tank-Abo Pool, comprised of the N/2 S/2 of Section 10, Township 16 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, and pooling all interests in the N/2 S/2 of said Section 10, pursuant to the provisions of N.M.Stat. Ann. § 70-2-17, (1978), for the Mack Energy Corporation Jet Federal Com Well No. 1 (API No. 30-015-36529) to be drilled as a horizontal well in the Abo formation from a surface location 2210 from the South line and 330 feet from the West line of said Section 10 and then in the Abo formation in a easterly direction to a terminus at a point 2285 feet from the South line and 330 feet from the East line the Section. 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 10 miles Northwest of Loco Hills, New Mexico.
25. **CASE 14329:** *(Continued from the August 6, 2009 Examiner Hearing.)*
(This case will be continued to the August 20, 2009 Examiner Hearing.)
Application of Anadarko Petroleum Corporation for approval of an acid gas injection well, San Juan County, New Mexico. Applicant seeks approval to drill an acid gas injection well at its Kirtland New Mexico site. The well will be drilled 1650 feet from the North line and 2310 feet from the West line in Unit F of Section 1, Township 29 North, Range 15 West NMPM, to inject up to 2000 barrels of acid gas per day at a maximum pressure of 1985 psi, into the Entrada Formation, at an approximate depth of 6500 feet to 6700 feet. Anadarko may be contacted through its representative, Mr. Alberto Gutierrez, 500 Marquette Ave NW, Suite 1350, Albuquerque, New Mexico 87102 or (505) 842-8000. Said well is located on the Anadarko San Juan River Gas Plant near Kirtland in San Juan County, New Mexico.