

4. **CASE 14476:** (This case will be continued to the June 24, 2010 Examiner Hearing.)  
**Application of Devon Energy Production Company, L.P. for approval of a pilot infill drilling project in the Pictured Cliffs formation in a portion of the Northeast Blanco Unit, Rio Arriba and San Juan Counties, New Mexico.** Applicant seeks approval to institute a pilot infill drilling project in the Pictured Cliffs formation, to allow two wells in a standard 160 acre gas spacing unit. The project area comprises all of Sections 6, 7, 18-20, and 30 in Township 31 North, Range 6 West, N.M.P.M., and all of Section 1, the N/2 of Section 10, and all of Sections 11-15, 22-27, and 34-36, Township 31 North, Range 7 West, N.M.P.M. The project area is centered approximately 12 miles Northeast of Archuleta, New Mexico.
5. **CASE 14438:** (Continued from the May 13, 2010 Examiner Hearing.)  
**Application of Devon Energy Production Company, L.P. for pool creation, a discovery allowable, and special pool rules, Eddy County, New Mexico.** Applicant seeks an order (a) creating a new pool for production of oil from the Bone Spring formation, to be named the Angell Ranch-Bone Spring Pool, comprising the NW/4 of Section 25, Township 19 South, Range 27 East, N.M.P.M., (b) granting applicant a discovery allowable, and (c) establishing special rules and regulations for the pool, including (i) spacing of 80 acres, (ii) wells to be located no closer than 330 feet to a quarter-quarter section line, and (iii) a gas:oil ratio of 10,000 cubic feet of gas for each barrel of oil produced. The discovery well for the pool is the Guardian 25 State Com. Well No. 1 (API No. 30-015-36577), which was drilled at a location 1980 feet from the north line and 1980 feet from the west line of Section 25. Applicant requests that the pool rules be made effective retroactive to the date of first Bone Spring production from the discovery well. The proposed pool is located approximately 7-1/2 miles East of Lakewood, New Mexico.
6. **CASE 14477:** **Application of Chesapeake Exploration, LLC doing business through its agent Chesapeake Operating, Inc. for statutory unitization of the Chambers Strawn Unit Area, Lea County, New Mexico.** Applicant in the above-styled cause, seeks an order unitizing, for the purpose of establishing an enhanced recovery project, all mineral interest in the Strawn formation underlying 480 acres, more or less, of fee lands in the following acreage:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 7: NE/4, NE/4 SE/4  
Section 8: NW/4 NW/4, S/2 NW/4, SW/4

Said unit to be designated the Chambers Strawn 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 1 mile West of Lovington, New Mexico.

7. **CASE 14478:** **Application of Chesapeake Exploration, LLC doing business through its agent Chesapeake Operating, Inc. for approval of a waterflood project and qualification of the Project Area of the Chambers Strawn Unit for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.** Applicant in the above-styled cause, seeks approval of its Chambers Strawn Waterflood Project in the following described area:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 7: NE/4, NE/4 SE/4  
Section 8: NW/4 NW/4, S/2 NW/4, SW/4

Applicant proposes to conduct waterflood operations by injection of water into the Strawn formation through the following two injection wells:

Chambers 7 Well No. 1  
1700 feet FNL & 900 feet FEL  
Unit H, Section 7, Township 16 South, Range 36 East, NMPM  
Lea County, New Mexico  
API No. 30-025-33623

Runnels 8 Well No. 1  
780 feet FSL & 1510 feet FWL  
Unit N, Section 8, Township 16 South, Range 36 East, NMPM  
Lea County, New Mexico  
API No. 30-025-34264

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. Applicant further seeks to qualify the project area for the Recovered Oil Tax Rate pursuant to the “New Mexico Enhanced Oil Recovery Act” (Laws 1992, Chapter 38, Sections 1 through 5). Said area is located approximately 1 mile West of Lovington, New Mexico.

8. **CASE14459:** *(Continued from the May 13, 2010 Examiner Hearing.)*  
***Amended and Readvertised Application of Cimarex Energy Co. for compulsory pooling, Eddy County, New Mexico.*** Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the following described acreage in Section 15, Township 25 South, Range 26 East, NMPM, and in the following manner: The S/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; the SE/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 SE/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 Seldom Seen 15 Fed. Well No. 1, a horizontal well to be drilled at an orthodox surface location in the SE/4 SE/4, with a terminus at an orthodox location in the SW/4 SW/4, of Section 15. 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 7 miles Southeast of Whites City, New Mexico.