Examiner Hearing -September 2, 2010 Docket No. 29-10 Page 4 of 11

- 12. CEASE 14537: Application of Devon Energy Production Company, L.P. for compulsory pooling, Chaves County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Siluro-Devonian formation underlying the following described acreage in Section 34, Township 11 South, Range 29 East, NMPM, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit in all formations or pools developed on 320-acre spacing within that vertical extent; and the NW/4 NW/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 Open Range Fee Well No. 1, to be drilled vertically at a location 670 feet from the North line and 670 feet from the West line of Section 34, to test the Siluro-Devonian formation, and then drilled horizontally in the Mississippian formation with a terminus 670 feet from the North line and 670 feet from the East line of Section 34. 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 19 miles West-Southwest of Caprock, New Mexico.
- 13. CASE 14528: (Continued and Readvertised) (This case will be continued to the September 16, 2010 Examiner Hearing.) Application of Devon Energy Production Company, L.P. for a non-standard gas spacing and proration unit, an unorthodox oil well locations, and compulsory pooling, Chaves County, New Mexico. Devon Energy Production Company, L.P. seeks an order approving a 320-acre non-standard gas spacing and proration unit (project area) in the Mississippian formation comprised of the S/2 NE/4 and N/2 SE/4 of Section 7 and the S/2 NW/4 and N/2 SW/4 of Section 8, Township 10 South, Range 29 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the base of the Morrow formation underlying the SW/4 NE/4 of Section 7 to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent, (ii) in the Mississippian formation underlying the non-standard 320 acre unit (project area), and (iii) in the Siluro-Devonian formation underlying the SE/4 NE/4 of Section 7 to form a standard 40 acre oil spacing and proration unit for any formations and/or pools developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Loving 7 Fee Well No. 1, to be drilled vertically at an unorthodox surface location 2500 feet from the North line and 1400 feet from the East line of Section 7, to test the Siluro-Devonian formation at a bottomhole location approximately 2500 feet from the North line and 1280 feet from the East line of Section 7, and then drilled horizontally in the Mississippian formation with an entry point in the Mississippian formation approximately 2500 feet from the North line and 1100 feet from the East line of Section 7, and a terminus 2500 feet from the North line and 1980 feet from the West line of Section 8. Applicant also seeks approval of the unorthodox oil well locations in the SW/4 NE/4 and SE/4 NE/4 of Section 7. 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 18 miles West-Northwest of Caprock, New Mexico.
- 14. <u>CASE 14538</u>: Application of Marshall & Winston, Inc. to cancel an operator's authority and terminate a spacing unit, and approve a change of operator, Lea County, New Mexico. Applicant seeks an order canceling the authority of David H. Arrington Oil & Gas, Inc. to operate the Green Eyed Squealy Worm Well No. 1, located 1974 feet from the south line and 1129 feet from the East line of Section 26, Township 15 South, Range 34 East, NMPM, and terminating the S 1/2 of Section 26 spacing unit currently dedicated to the well. Applicant further requests that it be approved as operator of the well. The well is located approximately 8 miles West-Northwest of Lovington, New Mexico.
- Application of COG Operating LLC for Designation of a Non-standard Spacing Unit and for Compulsory Pooling, Chaves County, New Mexico. Applicant seeks an order consolidating the 40-acre spacing units within the S/2 S/2 of Section 3, Township 15 South Range 31 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well location in the Abo/Wolfcamp formation (Wildcat) 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 3 to be dedicated to its Leo 3 Fed Com No. 1-H Well to be drilled horizontally from a surface location 660 feet from the South line and 430 feet from the East line to a bottomhole location 660 feet from the South line and 330 feet from the West 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 10 miles North of Maljamar, New Mexico.
- 16. <u>CASE 14507</u>: (Continued from the July 22, 2010 Examiner Hearing.)

 Application of Cimarex Energy Co. for a non-standard oil spacing and proration unit and compulsory pooling, Chaves County, New Mexico. Cimarex Energy Co. seeks an order approving a 161.06-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of Lot 2, SW/4 NE/4, and W/2 SE/4 (the W/2 E/2) of Section 3, Township 15 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the