

4. **CASE 14523: Application of Mewbourne Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Yeso formation comprised of the E/2 W/2 of Section 21, Township 20 South, Range 25 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Yeso formation underlying the NE/4 NW/4 of Section 21 to form a standard 40 acre oil spacing and proration unit, and (ii) the Yeso formation underlying the E/2 W/2 of Section 21 to form a non-standard 160 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Pine Box 21 CN Fed. Com. Well No. 1, a horizontal well with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 21. 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 unit is located approximately 5 miles Southwest of Seven Rivers, New Mexico.
5. **CASE 14438: (Continued from the July 8, 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 14524: Application of Chi Operating, Inc. for an unorthodox well location, Eddy County, New Mexico.** Applicant seeks an order approving an unorthodox location in the Delaware formation (Benson-Delaware Pool) for its proposed Munchkin Fed. Well No. 22, to be drilled at a surface location 750 feet from the North line and 1805 feet from the West line, to a bottomhole location 750 feet from the North line and 2620 feet from the West line, of Section 12, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The NE/4 NW/4 of Section 12 will be dedicated to the well. The well unit is located approximately 10 miles south-southeast of Loco Hills, New Mexico.
7. **CASE 14504: (Continued from the July 8, 2010 Examiner Hearing.)**  
**Application of Celero Energy II, LP to amend the Unit Agreement and the Unit Operating Agreement for the Rock Queen Unit, and for statutory unitization, Chaves and Lea Counties, New Mexico.** Applicant seeks an order amending the Unit Agreement and Unit Operating Agreement, and statutorily unitizing all mineral interests in, the Queen formation in the previously approved Rock Queen Unit underlying 4939.77 acres of federal, state, and fee lands covering all or parts of Sections 22-27 and 34-36 of Township 13 South, Range 31 East, N.M.P.M., and Sections 19, 30, and 31 of Township 13 South, Range 32 East, N.M.P.M. 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 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 working interest 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 17 miles South-Southwest of Caprock, New Mexico.
8. **~~CASE 14505:~~ (Continued from the July 8, 2010 Examiner Hearing.)**  
**Application of Celero Energy II, LP to expand the waterflood project and institute a tertiary recovery project for the Rock Queen Unit, and to qualify the project for the recovered oil tax rate, Chaves and Lea Counties, New Mexico.** Applicant seeks approval to expand the waterflood project, and for a tertiary recovery project, in the Rock Queen Unit by the injection of water and carbon dioxide into the Queen formation in approximately 42 wells located on 4939.77 acres of federal, state, and fee lands covering all or parts of Sections 22-27 and 34-36 of Township 13 South, Range 31 East, N.M.P.M., and Sections 19, 30, and 31 of Township 13 South, Range 32 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 unit area is centered approximately 17 miles South-Southwest of Caprock, New Mexico.
9. **CASE 14525: Application of BC Operating, Inc. for Authorization to Inject, Lea County, New Mexico.** Applicant seeks an order authorizing the injection of salt water into the non-productive San Andres formation, San Andres Pool (96121) in the following proposed well South Denton "6" State No. 2 SWD, API No. 30-025-39734, 330' FNL & 330' FWL (Unit D), Section 6, T-16-S, R-38-E, NMPM. The subject well will be drilled to a proposed total depth of approximately 6500' and will be utilized for injection of water through a closed system into the San Andres formation (top: 5,200'; base: 6,500') with