Examiner Hearing -October 28, 2010 Docket No. 35-10 Page 2 of 5

- NMAC concerning the sealing of strata and 19.15.16.10(A) NMAC concerning casing and tubing requirements in the recompletion of horizontal wells in the Vacuum Glorieta East Unit, Lea County, New Mexico. Applicant seeks an order granting an exception to the provisions of Division rules 19.15.16.9 NMAC concerning the sealing of strata and 19.15.16.10(A) NMAC concerning casing and tubing requirements in the recompletion of horizontal wells to enable it to recomplete wells in this Unit with open hole horizontal well bores. The Vacuum Glorieta East Unit, encompasses portions of Sections 26 through 34 of Township 17 South, Range 35 East, N.M.P.M. Said unit is located approximately 10 miles Southeast of Lovington, New Mexico.
- 5. <u>CASE 14558</u>: (Continued from the October 14, 2010 Examiner Hearing.)
 Application of Marbob Energy Corporation for vertical expansion of the Burch Keely Unit, Eddy County, New Mexico.
 Applicant in the above-styled cause seeks an order amending Order No. R-7900-A to extend the vertical limits in the Burch Keely Unit to expand the Unitized Formation to 5000 feet. The Unit Area consists of lands in Sections 12, 13, 23 through 26 in Township 17 South, Range 29 East and Sections 18, 19 and 30 in Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico. Said area is located approximately 2 miles West of Loco Hills, New Mexico.
- 6. CASE 14544: (continued and readvertised) (Continued from the October 14, 2010 Examiner Hearing.)

 Application of Devon Energy Production Company, L.P. for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Devon Energy Production Company, L.P. seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the N/2 NE/4 and NE/4 NW/4 of Section 24, Township 18 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests from the surface to the base of the Delaware formation underlying the N/2 NE/4 and NE/4 NW/4 of Section 24, and in the following manner: (i) the NE/4 NE/4 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; and (ii) the N/2 NE/4 and NE/4 NW/4 to form a non-standard 160 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the New Mexico 24 Fed. Com. Well No. 3, a horizontal well to be drilled at a surface location in the NE/4 NE/4, with a terminus in the NE/4 NW/4, of Section 24. 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 12 miles Southeast of Maljamar, New Mexico.
- 7. <u>CASE 14551</u>: (Continued from the October 14, 2010 Examiner Hearing.) Application of Nadel and Gussman Permian, L.L.C. for approval of four non-standard oil spacing and proration units and compulsory pooling, Eddy County, New Mexico. Nadel and Gussman Permian, L.L.C. seeks an order approving four 160-acre non-standard oil spacing and proration units (project areas) in the Bone Spring formation comprised of the following lands in Section 12, Township 26 South, Range 29 East, NMPM:
 - (a) The N/2 N/2, to be dedicated to the Picou Fed. Well No. 1, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the NW/4 NW/4, of Section 12;
 - (b) The S/2 N/2, to be dedicated to the Picou Fed. Well No. 2, a horizontal well with a surface location in the SE/4 NE/4, and a terminus in the SW/4 NW/4, of Section 12;
 - (c) The N/2 S/2, to be dedicated to the Picou Fed. Well No. 3, a horizontal well with a surface location in the NE/4 SE/4, and a terminus in the NW/4 SW/4, of Section 12; and
 - (d) The S/2 S/2, to be dedicated to the Picou Fed. Well No. 4, a horizontal well with a surface location in the SE/4 SE/4, and a terminus in the SW/4 SW/4, of Section 12.

Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the four non-standard spacing and proration units (project areas) for all pools or formations developed on 40 acre spacing within that vertical extent. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The units are located approximately 14 miles Southeast of Malaga, New Mexico.

- 8. <u>CASE 14563</u>: Application of Lime Rock Resources A, L.P. to institute a cooperative waterflood project in the San Andres formation, Eddy County, New Mexico. Applicant seeks approval to institute a cooperative waterflood project by the injection of produced water into the San Andres formation at the approximate depths of 2400-3400 feet subsurface into the following ten wells:
 - (a) The Northwest 29 State Well No. 14, located 330 feet from the South line and 990 feet from the East line of Section 29, Township 17 South, Range 28 East, N.M.P.M.