

DOCKET: EXAMINER HEARING - THURSDAY – JANUARY 6, 2011

8:15 A.M. - 1220 South St. Francis
Santa Fe, New Mexico

Docket Nos. 2-11 and 3-11 are tentatively set for January 20, 2010 and February 3, 2011. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued at the applicant's request. The following cases will be heard by an Examiner.

<p><i>Locator Key for Cases</i> <i>Case 13940 – No. 7</i> <i>Case 14524 – No. 6</i> <i>Case 14544 – No. 13</i> <i>Case 14551 – No. 14</i> <i>Case 14566 – No. 10</i> <i>Case 14569 – No. 11</i> <i>Case 14570 – No. 12</i> <i>Case 14577 – No. 1</i> <i>Case 14581 – No. 8</i> <i>Case 13582 – No. 9</i> <i>Case 14585 – No. 2</i> <i>Case 14586 – No. 3</i> <i>Case 14587 – No. 4</i> <i>Case 14588 – No. 5</i></p>
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1. **CASE 14577:** (Continued from the December 16, 2010 Examiner Hearing.)
Application of COG Operating LLC for vertical extension of the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool to correspond with the Unitized Formation of the Burch-Keely Unit, Eddy County, New Mexico. Applicant seeks an order amending Division Order No. R-10067 to extend the vertical limits of the Grayburg-Jackson (Seven Rivers-Queen-Grayburg-San Andres) Pool to a depth of 5,000 feet to correspond with the proposed extension of the Unitized Formation of the Burch-Keely Unit. The pool and unit area are comprised of the following lands:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 12: SE/4 SE/4
Section 13: All
Section 23 through 26: All

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Sections 18 and 19: All
Section 30: All

The pool and unit are located approximately 2 miles West of Loco Hills, New Mexico.

2. **CASE 14585:** ***Application of McElvain Oil & Gas Properties, Inc. for compulsory pooling, San Juan County, New Mexico.*** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Fruitland Coal formation underlying the N/2 of Section 32, Township 31 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, for all formations and/or pools developed on 320-acre spacing within this vertical extent including but not limited to the Basin Fruitland Coal Gas Pool. This unit is to be dedicated to the Pepper Well No. 1S, to be completed at a location in the SW/4 NW/4 of said Section 32 to test the Fruitland Coal 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 applicant

as operator of the well and the imposition of a 200% risk charge against the working interest of any party that elects not to participate in this project. Said area is located approximately 10 miles North of Farmington, New Mexico.

3. **CASE 14586:** *Application of Williams Production Co., LLC for An Exception to the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool for Increased Well Density in the Rosa Unit, San Juan and Rio Arriba Counties, New Mexico.* Applicant, in the above-styled cause seeks exceptions to the Special Rules and Regulations for the Blanco-Mesaverde Gas Pool to allow up to 8 Mesaverde wells per 320-acre spacing unit in the Rosa Unit, San Juan and Rio Arriba Counties. Said area is located approximately 9 miles Southeast of Arboles, Colorado.
4. **CASE 14587:** *Application of Mewbourne Company for approval of a non-standard oil spacing and proration unit, an unorthodox oil well location, 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 Bone Spring formation comprised of the N/2N/2 of Section 29, Township 18 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit (project area) for all pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Bradley 29 Fed. Com. Well No. 4, a horizontal well with a surface location 510 feet from the north line and 150 feet from the west line, and a terminus 510 feet from the north line and 330 feet from the east line, of Section 29. Applicant further seeks approval of the unorthodox location for the well. 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 7 miles South of Loco Hills, New Mexico.
5. **CASE 14588:** *Application of Cimarex Energy Co. of Colorado for cancelation of an application for permit to drill issued to COG Operating LLC, Lea County, New Mexico.* Applicant seeks an order canceling an application for permit to drill issued to COG Operating LLC for the proposed Magnum Pronto State Com. Well No. 4H (API No. 30-025-39951), a horizontal Bone Spring well located in the SE/4 NE/4 and E/2 SE/4 of Section 32, Township 19 South, Range 32 East, N.M.P.M. The well unit is located approximately 30 miles West of Monument, New Mexico.
6. **CASE 14524:** *(Continued from the December 2, 2010 Examiner Hearing.)*
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 13940:** *(Continued from the November 18, 2010 Examiner Hearing.)*
Application of Yates Petroleum Corporation, Yates Drilling Company, Abo Petroleum Corporation and MYCO Industries, Inc. for an order directing Pride Energy Company to plug and abandon the State “X” Well No. 1, Lea County, New Mexico. Applicants seek an order directing Pride Energy Company to plug and abandon the State “X” Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico. Said well and spacing unit are located approximately 12 miles west-northwest of Tatum, New Mexico.
8. **CASE 14581:** *(Continued from the December 16, 2010 Examiner Hearing.)*
Application of Cimarex Energy Co. of Colorado for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Cimarex Energy Co. of Colorado seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 32, Township 18 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2 W/2 of Section 32 to form a non-standard 160 acre oil spacing and proration unit (project area) for any pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the West Shugart 32 State Well No. 1, a horizontal well to be drilled at a surface location in the SW/4SW/4, with a terminus in the NW/4 NW/4, of Section 32. 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