

DOCKET: EXAMINER HEARING - THURSDAY – SEPTEMBER 16, 2010

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

Docket Nos. 32-10 and 33-10 are tentatively set for September 30, 2010 and October 14, 2010. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 19.15.4.13 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.

Locator Key for Cases

Case 8352 – No. 16
Case 14438 – No. 14
Case 14499 – No. 1
Case 14500 – No. 2
Case 14507 – No. 3
Case 14508 – No. 4
Case 14514 – No. 19
Case 14520 – No. 17
Case 14524 – No. 18
Case 14528 – No. 10
Case 14533 – No. 7
Case 14534 – No. 11
Case 14540 – No. 5
Case 14541 – No. 6
Case 14542 – No. 8
Case 14543 – No. 9
Case 14544 – No. 12
Case 14545 – No. 15
Case 14546 – No. 13

1. **CASE 14499:** *(Continued from the September 2, 2010 Examiner Hearing.)*
Application of Cimarex Energy Company of Colorado for Designation of a Non-standard Spacing Unit and for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order consolidating the 40-acre spacing units within the W/2 W/2 of Section 11, Township 19 South Range 29 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit in the Bone Spring formation (Turkey Track-Bone Spring Pool) for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Bone Spring formation underlying the W/2 W/2 of said Section 11 to be dedicated to its Parkway "11" State Com No. 1-H well to be drilled horizontally from a surface location 990' from the North line and 660' from the West line to a bottom hole location 330' from the South line and 660' from the West line to a depth sufficient to test the Bone Spring 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 Cimarex Energy Company of Colorado as operator and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 10 miles Southeast of Loco Hills, New Mexico.
2. **CASE 14500:** *(Continued from the September 2, 2010 Examiner Hearing.)*
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.

3. **CASE 14507:** *(Continued from the September 2, 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 surface to the top of the Abo/Wolfcamp formation underlying Lot 2 of Section 3 to form a standard 41.06 acre oil spacing and proration unit, and (ii) in the Abo/Wolfcamp formation underlying the W/2 E/2 of Section 3 to form a non-standard 161.06 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 Boxer 3 Fee Well No. 3, a horizontal well to be drilled at a surface location 375 feet from the North line and 1980 feet from the East line, with a terminus 330 feet from the South line and 1980 feet from the East line, of Section 3. 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 17-1/2 miles North-Northeast of Loco Hills, New Mexico.
4. **CASE 14508:** *(Continued and Readvertised) (Continued from the September 2, 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 161.02-acre non-standard oil spacing and proration unit (project area) in the Abo/Wolfcamp formation comprised of Lot 1, SE/4NE/4, and E/2SE/4 (the E/2E/2) of Section 3, Township 15 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Abo/Wolfcamp formation underlying Lot 1 of Section 3 to form a standard 41.02 acre oil spacing and proration unit, and (ii) in the Abo/Wolfcamp formation underlying the E/2E/2 of Section 3 to form a non-standard 161.02 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 Boxer 3 Fee Well No. 4, a horizontal well to be drilled at a surface location 375 feet from the north line and 1250 feet from the east line, with a terminus 330 feet from the south line and 660 feet from the east line, of Section 3. 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 17-1/2 miles north-northeast of Loco Hills, New Mexico.
5. **CASE 14540:** ***Application of Merrion Oil & Gas Corp. for compulsory pooling, San Juan County, New Mexico.*** Applicant seeks an order pooling all noncommitted mineral interests and noncommitted working interest owners in the Fruitland Coal formation in the W/2 of Section 9, Township 29 North, Range 13 West, NMPM, to form a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal Pool. The unit is to be dedicated to the Glade Park #1 well to be drilled at an orthodox location, and the Glade Park #2 well to be drilled at an unorthodox location in the W/2 of Section 9. Applicant further seeks an order pooling all noncommitted mineral interests and noncommitted working interest owners in the Pictured Cliffs formation in the NW/4 of Section 9, Township 29 North, Range 13 West, NMPM, to form a standard 160-acre gas spacing and proration unit for the West Kutz-Pictured Cliffs Pool. The unit is to be dedicated to the Glade Park #1 well to be drilled at an unorthodox location in the NW/4 of Section 9. Applicant further seeks an order pooling all noncommitted mineral interests and noncommitted working interest owners in the Pictured Cliffs formation in