Examiner Hearing -September 30, 2010 Docket No. 32-10 Page 2 of 2

- 4. CASE 14550: Application of OGX Resources LLC for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. OGX Resources LLC seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the S/2 N/2 of Section 25, Township 24 South, Range 28 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 Mongo 25 Fed. Com. 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 25. 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 3 miles Southeast of Malaga, New Mexico.
- 5. <u>CASE 14551</u>: 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.

- 6. <u>CASE 14552</u>: Application of BOPCO, L.P. to institute a pilot waterflood project in the Delaware formation in the Poker Lake Unit, Eddy County, New Mexico. Applicant seeks approval to institute a pilot waterflood project in the Poker Lake Unit by the injection of produced water into the Delaware formation at the approximate depths of 6950-7300 feet subsurface in the following four wells located in Township 24 South, Range 30 East, NMPM, Eddy County, New Mexico:
 - (a) The Poker Lake Unit Well No. 150, located in Unit A of Section 6;
 - (b) The Poker Lake Unit Well No. 151, located in Unit B of Section 6;
 - (c) The Poker Lake Unit Well No. 162, located in Unit C of Section 6; and
 - (d) The Poker Lake Unit Well No. 166, located in Unit D of Section 5.

The pilot area within the Poker Lake Unit is centered approximately 5 miles East of Harroun, New Mexico.

7. CASE 14506: (Continued from the September 2, 2010 Examiner Hearing.)

Application of Chesapeake Operating, Inc. for approval of an unorthodox well location for its Skeen "21" State Well

No. 1H to be drilled as a horizontal wellbore in Section 21, Township 26 South, Range 28 East, N.M.P.M., Eddy

County, New Mexico. Applicant seeks approval of an unorthodox well location for its Skeen "21" State Well Federal No.

County, New Mexico. Applicant seeks approval of an unorthodox well location for its Skeen "21" State Well Federal No. 1H. This well is located in Section 21, Township 26 South, Range 28 East, N.M.P.M., to be drilled 250 feet from the North line and 2310 feet from the West line to a bottomhole location 330 feet from the South line and 2310 feet from the West line of Section 21, Eddy County, New Mexico A 160-acre project area has been dedicated to this horizontal well comprised of the E/2 W/2 of Section 21. Said area is located approximately 13 miles North of Malaga.

8. CASES 11601: 11626; 11627; 11628; 11629; 11708; 11709; 11685; 112136; and 11815; (Reopened)

Application of ConocoPhillips Company and Burlington Resources Oil & Gas Company, LP to reopen Cases 11601, 11626, 11627, 11628, 11629, 11708, 11709, 11685, 12136 and 11815 to amend the Division orders entered therein to permit the allocation of production in commingled wells by alternative methods approved by the Division prior to commingling, Rio Arriba and San Juan Counties, New Mexico. These units are contiguous and the center of the unit areas is approximately 9 miles Southeast of Gobernador Camp, New Mexico, except for the San Juan 32-9 unit (Case No. 11601), the center of which is located approximately 5 miles Southeast of Gobernador Camp, New Mexico.