

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.

16. **CASE 14524:** (Continued from the October 14, 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.

17. **CASE 14551:** (Continued from the October 28, 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.

10/28/10

1 MR. BROOKS: Good morning. This is
2 Docket Number 35-10 of the New Mexico Oil
3 Conservation Division, and it is Thursday,
4 October 28. I am David Brooks. I am the presiding
5 examiner this morning. Will Jones is our technical
6 examiner.

7 First up will be to call the
8 motions -- will be to call the continuances and
9 dismissals.

10 On page 1, Case Number 14560 is
11 continued to November 18.

12 On page 2, Case Number 15 -- 14544 is
13 continued to November 18.

14 Case Number 14551 is continued to
15 November 18.

16 On page 4, Case Number 14514 and Case
17 Number 14555 are dismissed.

18 On page 5, Case Number 14556 and
19 14557 are dismissed.

20 Case Number 14520 is continued to
21 December 2.

22 Are there other continuances or
23 dismissals? Very good.

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I do hereby certify that the foregoing is
a complete record of the proceedings at
the Examiners hearing of Case No.
heard by me on 10-28-10

David K. Berry
Oil Conservation Division