

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.

13. **CASE 14552:** *(Continued from the September 30, 2010 Examiner Hearing.)*  
**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.

14. **CASE 14558:** **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.

15. **CASE 14559:** **Application of BTA Oil Producers, LLC for approval of a salt water disposal well, Eddy County, New Mexico.** Applicant seeks approval to utilize its Owl 20504 JV-P Well No. 5 (API No. 30-015-35435) located 2310 feet from the South line and 2130 feet from the East line of Section 18, Township 26 South, Range 27 East, NMPM, to inject an average of 2100 barrels of water per day, at a maximum surface injection pressure of 586 psi, into the Cherry Canyon member of the Delaware formation, at an approximate depth of 2934 feet to 3282 feet. This well is located approximately 14 miles Southwest of Malaga, New Mexico.

16. **CASE 8352:** *(Reopened) (Continued from the September 16, 2010 Examiner Hearing.)*  
**Application of OXY USA, Inc. to reopen Case No. 8352 to contract the West Bravo Dome Carbon Dioxide Gas Area to exclude acreage in the Bravo Dome Carbon Dioxide Gas Unit and for the adoption of permanent Special Rules and Regulations for the acreage excluded from the West Bravo Dome Carbon Dioxide Gas Area including provisions for 160-acre spacing units, Harding County, New Mexico.** Applicant seeks to reopen Case No. 8352 to contract the West Bravo Dome Carbon Dioxide Gas Area to exclude the following acreage in the Bravo Dome Carbon Dioxide Gas Unit ("Bravo Dome Temporary Spacing area"):

**Township 18 North, Range 30 East, NMPM**

|                   |                    |
|-------------------|--------------------|
| Sections 1 and 2: | All                |
| Section 3:        | E/2 E/2, SW/4 SE/4 |
| Section 10:       | E/2 NE/4           |
| Section 11:       | N/2                |
| Sections 12 – 14: | All                |
| Section 23:       | E/2, E/2 W/2       |

|             |                                      |
|-------------|--------------------------------------|
| Section 24: | All                                  |
| Section 25: | E/2, E/2 W/2, W/2 NW/4,<br>NW/4 SW/4 |
| Section 26: | NE/4, E/2 NW/4, N/2 S/2              |
| Section 36: | All                                  |

**Township 18 North, Range 31 East, NMPM**

Sections 1 - 36: All

**Township 19 North, Range 29 East, NMPM**

Section 1: NE/4, E/2 NW/4

**Township 19 North, Range 30 East, NMPM**

Section 20: W/2 NE/4, S/2 SE/4  
Sections 21 through 28: All  
Section 29: NE/4  
Section 32: NE/4 NE/4  
Section 33: NW/4, W/2 NE/4, NE/4 NE/4,  
NW/4 SE/4, NE/4 SW/4  
Section 34: N/2, E/2 SE/4  
Sections 35 and 36: All

**Township 19 North, Range 31 East, NMPM**

Sections 19 – 36: All

Applicant also seeks the adoption of permanent Special Rules and Regulations for the Bravo Dome Temporary Spacing Area that include provisions for 160-acre spacing and proration units. The West Bravo Dome Carbon Dioxide Gas Unit area is located approximately 15 to 17 miles East-Northeast of Mosquero, New Mexico.

17. **CASE 14520:** (Continued from the September 16, 2010 Examiner Hearing.)  
***Application of Lynx Petroleum Consultants, Inc. for an order authorizing the drilling of a well in the Potash Area, Eddy County, New Mexico.*** Applicant seeks an order approving the drilling of its proposed Eddy "BD" State Well No. 3 within the Potash Area at a location 1980 feet from the North line and 1980 feet from the East line (Unit G) of Section 32, Township 20 South, Range 30 East, NMPM, Eddy County, New Mexico. This well will be drilled to an approximate depth of 11,500 feet to test all formations from the surface to the Strawn formation, Golden Lane Strawn Pool and will be at a standard location in all formations. Said location is within the Potash Area and located approximately 14 miles Northeast of Carlsbad, New Mexico.
18. **CASE 14524:** (Continued from the September 16, 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.
19. **CASES 11601, 11626, 11627, 11628, 11629, 11708, 11709, 11685, 12136 and 11815:** (Reopened)  
(Continued from the September 30, 2010 Examiner Hearing.)  
***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.