

Skeen 21 State Com. Well No. 2, a horizontal well with a surface location in the NW/4 NE/4, and a terminus in the SW/4 SE/4, of Section 21. 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 4 miles northwest of the intersection of U.S. Highway 285 with the New Mexico-Texas State Line.

4. **CASE 14746:** (Continued from the January 5, 2012 Examiner Hearing.)

**Application of Strata Production Company for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Strata Production Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Delaware formation comprised of the SE/4 of Section 14, E/2 NE/4 of Section 23, and W/2 NW/4 of Section 24, Township 23 South, Range 30 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Delaware formation underlying the SE/4 of Section 14, E/2 NE/4 of Section 23, and W/2 NE/4 of Section 24 to form a non-standard 320 acre oil spacing and proration unit (project area), for all pools or formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Sandy Fed. Well No. 2, a horizontal well with a surface location in the SW/4 NW/4 of Section 24, and a terminus in the NW/4 SE/4 of Section 14. 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 units are located approximately 15 miles east of Loving, New Mexico.

5. **CASE 14787:** **Application of Nearburg Exploration Company, L.L.C. for a nonstandard oil spacing and proration unit, unorthodox oil well locations, and compulsory pooling, Lea County, New Mexico.**

Applicant seeks an order approving a non-standard oil spacing and proration unit in the Devonian formation comprised of the W/2 NW/4 of Section 8, Township 17 South, Range 37 East, N.M.P.M., Lea County, New Mexico, approving unorthodox oil well locations in the Strawn and Devonian formations, and pooling all mineral interests in the Devonian formation underlying the non-standard unit. Applicant proposes to drill the Midwest 8 State Well No. 1 at an unorthodox location 925 feet from the north line and 1644 feet from the west line of Section 8, to a depth sufficient to test the Strawn formation, and will dedicate the NE/4 NW/4 of Section 8 to the well in the Strawn formation. In the event the well does not result in commercial Strawn production, applicant plans to directionally drill the well to an unorthodox bottom hole location approximately 1139 feet from the north line and 1195 feet from the west line of Section 8 to test the Devonian formation (Midway-Devonian Pool). Applicant requests that a non-standard spacing and proration unit comprised of the W/2 NW/4 of Section 8 be dedicated to the well, to be re-named the Midway 8 State Com. Well No. 1, and pooling all mineral interest owners in the Devonian formation underlying the W/2 NW/4 of Section 8. 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 Nearburg Producing Company as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 5-1/2 miles northwest of Humble City, New Mexico.

6. **CASE 14743:** (Continued from the January 5, 2012 Examiner Hearing.)

**Application of Endeavor Energy Resources, L.P. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant seeks an order approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 15, Township 26 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 15 to form a non-standard 160 acre oil spacing and proration unit (project area) for any formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Red Bull "15" Fed. Com. Well No. 1, a horizontal well to be drilled with a surface location in the SE/4 SE/4, and a terminus in the NE/4 NE/4, of Section 15. 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 Endeavor Energy Resources, L.P. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 20 miles west of Bennett, New Mexico.

7. **CASE 14729:** (Continued from the January 5, 2012 Examiner Hearing.)

**Application of Nadel and Gussman Heyco, L.L.C. for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Glorieta-Yeso formation comprised of the N/2 N/2 of Section 20, Township 18 South, Range 26 East, NMPM. Applicant further seeks the pooling of all mineral interests (i) from the surface to the top of the Glorieta-Yeso formation in the NE/4 NE/4 of Section 20, and (ii) the Glorieta-Yeso 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 units are to be dedicated to the Wabash 20 Fed. Com. 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 20. 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 units are located approximately 2 miles south of Atoka, New Mexico.

8. **CASE 14788: Application of Caza Petroleum, Inc. for Approval of the Lennox State Exploratory Unit, Lea County, New Mexico.** Caza Petroleum, Inc. has applied for approval of the Lennox State Exploratory Unit, comprising: All of Section 32, the N/2 of Section 33, All of Section 34 and the N/2 of Section 35, Township 22 South, Range 35 East, NMPM in Lea County. Caza Petroleum is proposing to drill the pilot hole for the Lennox State Unit #1H, an upper 2nd Bone Spring sand horizontal test, at a legal surface location in the NW/4 NW/4 of Section 33, T22S, R35E. The Lennox State Unit #1H pilot hole will be drilled to an approximate depth of 11,400', into the top of the Wolfcamp formation. While several zones of interest will be penetrated vertically and evaluated for future development potential, the targeted reservoir for the horizontal leg of the Lennox State Unit #1H is the upper 2nd Bone Spring sand. The proposed lateral will traverse the N/2 N/2 of Section 33, T22S, R35E, beginning at a legal surface location in the NW/4 NW/4 of Section 33, T22S, R35E and reaching a final measured depth of approximately 15,400' at a legal bottom hole location in the NE/4 NE/4 of the same Section 33. While the pilot hole is projected to reach a TVD of 11,400', the TVD target for the lateral portion of the proposed test is approximately 10,150'. This location is located in central eastern Lea County, approximately 15 miles southwest of Eunice, New Mexico.
9. **CASE 14789: Application of Caza Petroleum, Inc. for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order: (1) creating a non-standard 160-acre oil spacing and proration unit in the Bone Spring formation, comprised of the W/2 E/2 of Section 27, Township 23 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, which will be the project area for the Forehand Ranch 27 State Well No. 1-H, to be horizontally drilled from a surface location 252 feet from the North line and 1980 feet from the East line (Unit B), to a bottom-hole terminus at a location 330 feet from the South line and 1980 feet from the East line (Unit O) of said Section 27; and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. The entire completed producing interval of the proposed well, from the penetration point to the bottom-hole location, will have standard locations within the producing area. 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 Caza Petroleum, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 5 miles west of Loving, New Mexico.
10. **CASE 14751: (Continued from the December 15, 2011 Examiner Hearing.) Application of Mewbourne Oil Company for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the N/2 S/2 of Section 34, Township 18 South, Range 30 East, NMPM; and (2) pooling all mineral interests in the Bone Spring formation in this non-standard spacing and proration unit which spacing unit will be the project area for the Dorado "34" Federal Com Well No. 1H to be horizontally drilled from a surface location 1850 feet from the South line and 620 feet from the East line (Unit I) and then in an easterly direction in the Bone Spring formation to a bottom hole terminus at a location 1850 feet from the South line and 330 feet from the West line (Unit L) of said Section 34. 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 Mewbourne Oil Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8.5 miles south of Loço Hills, New Mexico.
11. **CASE 14790: Application of OXY USA, Inc. for authorization to conduct a pressure maintenance project in the Old Millman Ranch Bone Spring Pool through its Government AB No. 9 well, Eddy County, New Mexico.** Applicant seeks an order authorizing a pressure maintenance project in the Old Millman Ranch Bone Spring Pool through its Government AB No. 9 well, with a surface location 330 feet from the North line and 230 feet from the East line of Section 10, Township 20 South, Range 28 East, NMPM, Eddy County, New Mexico. Said well is located approximately 11 miles northeast of Carlsbad, New Mexico.
12. **CASE 14791: Application of COG Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the E/2 W/2 of Section 1, Township 19 South, Range 25 East, NMPM, and (2) pooling all mineral interests in the Glorieta-Yeso formation underlying this acreage. Said non-standard unit is to be dedicated to applicant's proposed Clydesdale "1" Fee Well No. 2H, to be horizontally drilled from a surface location 150 feet from the South line and 1700 feet from the West line (Unit N) to a bottom hole location 330 feet from the North line and 1700 feet from the West line (Unit C) of Section 1. 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 of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 17 miles North of Carlsbad, New Mexico.