

**DOCKET: EXAMINER HEARING - THURSDAY – May 11, 2006****8:15 A.M. - 1220 South St. Francis****Santa Fe, New Mexico**

Docket Nos. 17-06 and 18-06 are tentatively set for May 25, 2006 and June 8, 2006. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule 1211.B 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 or dismissed by order of the examiner. If a protesting party fails to submit a timely pre-hearing statement, the hearing may be continued at the applicant's request. The following Cases will be heard by an Examiner.

**CASE NO. 13662: (Continued and readvertised)**

***Application of Synergy Operating, LLC for compulsory pooling, San Juan County, New Mexico.*** Applicant seeks an order pooling all mineral interests from the surface to the base of the Pictured Cliffs formation underlying the following described acreage in Section 6, Township 29 North, Range 13 West, NMPM, and in the following manner: Lots 2-5, 8, 9, 11-13, S/2 NW/4 NE/4 NE/4, S/2 SW/4 NE/4 NE/4, S/2 NE/4, and the SE/4 NW/4 (the N/2) to form a non-standard 248.11-acre gas spacing and proration unit for all pools or formations developed on 320 acre spacing, including the Basin-Fruitland Coal Gas Pool; Lots 2, 8, 9, 11-13, S/2 NW/4 NE/4 NE/4, S/2 SW/4 NE/4 NE/4, and the S/2 NE/4 (the NE/4) to form a standard 159.82-acre gas spacing and proration unit for all pools or formations developed on 160 acre spacing, including the West Kutz-Pictured Cliffs Gas Pool; and Lots 3-5 and the SE/4 NW/4 (the NW/4) to form a non-standard 88.29-acre gas spacing and proration unit for all pools or formations developed on 160 acre spacing, including the West Kutz-Pictured Cliffs Gas Pool. The units are to be dedicated to the Madrid 29-13-6 Well No. 111, to be located at an orthodox location in the NE/4 of Section 6, and the Madrid 29-13-6 Well No. 112, to be located at an orthodox location in the NW/4 of Section 6. Also to be considered will be the costs 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 1 mile west of Farmington, New Mexico.

**CASE NO. 13663: Continued from March 30, 2006, Examiner Hearing**

***Application of Synergy Operating, LLC for compulsory pooling, San Juan County, New Mexico.*** Applicant seeks an order pooling all mineral interests from the surface to the base of the Fruitland Coal formation underlying the following described acreage in Section 8, Township 29 North, Range 11 West, NMPM, and in the following manner: The W/2 to form a standard 320-acre gas spacing and proration unit for any pools or formations developed on 320-acre spacing within that vertical extent, including the Basin-Fruitland Coal Gas Pool; and the SW/4 to form a standard 160-acre gas spacing and proration unit for any pools or formations developed on 160-acre spacing within that vertical extent. The units are to be dedicated to the proposed Duff 29-11-8 Well No. 105, to be drilled at an orthodox location in the SW/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 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 6 miles south-southwest of Aztec, New Mexico.

**CASE NO. 13700: Application of Devon Energy Production Company, L.P. for approval of a non-standard gas spacing and proration unit, Eddy County, New Mexico.** Applicant seeks approval of a non-standard gas spacing and proration unit in the Strawn formation (Undesignated Mosley Canyon-Strawn Gas Pool) comprised of the SE/4 of Section 32, Township 23 South, Range 25 East, N.M.P.M. The unit is located approximately 6 miles north-northwest of Whites City, New Mexico.

**CASE NO. 13701: Application of Devon Energy Production Company, L.P. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 23, Township 22 South, Range 27 East, NMPM, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated East Carlsbad-Wolfcamp Gas Pool, Undesignated Carlsbad-Strawn Gas Pool, Undesignated Otis-Atoka Gas Pool, Undesignated South Carlsbad-Morrow Gas Pool, and Undesignated Otis-Morrow Gas Pool; and the NE/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent. The units are to be dedicated to the Dunaway 23 Well No. 1, to be drilled at an orthodox gas well location in the NW/4 NE/4 of Section 23. 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 2-1/2 miles north-northeast of Otis, New Mexico.

**CASE NO. 13691: (Continued and readvertised)**

**Application of Cimarex Energy Co. for compulsory pooling, Lea County, New Mexico.** Cimarex Energy Co. seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 8, Township 15 South, Range 36 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Caudill-Atoka Gas Pool. The unit is to be dedicated to the Caudill West "8" Fee Well No. 2, to be located at an orthodox gas well location in the NE/4 NE/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 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 3-1/2 miles south-southwest of Hillburn City, New Mexico.

**CASE NO. 13702: Application of Magnum Hunter Production, Inc. for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the following described acreage in Section 9, Township 25 South, Range 26 East, NMPM, and in the following manner: The S/2 to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Chosa Draw-Morrow Gas Pool; the SW/4 to form a standard 160-acre gas spacing and proration unit for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SW/4 SW/4 to form a standard 40-acre oil spacing and proration unit for any and all formations or pools developed on 40-acre spacing within that vertical extent. The units are to be dedicated to the Parks Well No. 1, to be drilled at an orthodox location in the SW/4 SW/4 of Section 9. 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 Gruy Petroleum Management Co. as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The units are located approximately 5 miles east-southeast of Whites City, New Mexico.

**CASE NO. 13690: Continued from April 13, 2006 Examiner Hearing**

**Application of Pride Energy Company for compulsory pooling, Lea County, New Mexico.** Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the W/2 of Section 12, Township 12 South, Range 34 East, NMPM, to form a standard 320-acre gas spacing and proration unit for any and all formations or pools developed on 320-acre spacing within that vertical extent, including the Undesignated Four Lakes-Mississippian Gas Pool. The unit is to be dedicated to the existing State "X" Well No. 1, located 1980 feet from the North line and 660 feet from the West line of Section 12, which is to be re-entered. Also to be considered will be the cost of re-entering 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 re-entering and completing the well. Applicant also requests that the order provide for the drilling of an infill well pursuant to Division rules. The unit is located approximately 12 miles west-northwest of Tatum, New Mexico.

**CASE NO. 13703: Application of Pride Energy Company for compulsory pooling, Lea County, New Mexico.**

Applicant seeks an order pooling all mineral interests from the surface to the base of the Mississippian formation underlying the following described acreage in Section 13, Township 11 South, Range 33 East, N.M.P.M., and in the following manner: The N/2 to form a standard 320 acre gas spacing and proration unit for all formations developed on 320 acre spacing within that vertical extent; the NE/4 to form a standard 160 acre gas spacing and proration unit for all formations developed on 160 acre spacing within that vertical extent; the W/2 NE/4 to form a standard 80-acre oil spacing and proration unit for all formations or pools developed on 80 acre spacing within that vertical extent, including the Inbe Permo-Pennsylvanian Pool; and the SW/4 NE/4 to form a standard 40-acre oil spacing and proration unit for all formations developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Inbe "13" Well No. 1, to be located at an orthodox well location in the SW/4 NE/4 of the section. 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 8-1/2 miles east-southeast of Caprock, New Mexico.