

Undesignated Hackberry-Bone Spring Pool. The units are to be dedicated to the Arenoso "22" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SE/4 SW/4 of Section 22. 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 14 miles south-southeast of Loco Hills, New Mexico.

CASE NO. 13738: Continued from July 6, 2006 Examiner Hearing

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 Lots 3, 4, S/2 NW/4, and SW/4 (the W/2) Section 2, Township 22 South, Range 26 East, NMPM, to form a standard 320.63-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 Happy Valley-Strawn Gas Pool, Undesignated Happy Valley-Atoka Gas Pool, and Undesignated Happy Valley-Morrow Gas Pool. The unit will be dedicated to the Perfecto 2 State Com. Well No. 1, to be drilled in the SW/4 NW/4 of Section 2. 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 2-1/2 miles West of Carlsbad, New Mexico.

CASE NO. 13749: Application of Magnum Hunter Production, Inc. for cancellation of one drilling permit and approval of a second drilling permit, Lea County, New Mexico.

Applicant seeks an order canceling a drilling permit issued to Samson Resources Company covering the S/2 of Section 10, Township 20 South, Range 33 East, NMPM, and requiring the Division's Hobbs District Office to approve a drilling permit filed by applicant covering the E/2 of said Section 10, to form a standard 320-acre gas spacing and proration unit in the West Teas-Morrow Gas Pool. Applicant's well unit is located approximately 5 miles Northeast of the intersection of State Highway 176 and U.S. Highway 62/180.

CASE NO. 13731: Readvertised and Continued from June 22, 2006 Examiner Hearing

Application of Mewbourne Oil Company 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 W/2 of Section 10, Township 20 South, Range 25 East, NMPM, to form a standard 320-acre gas spacing and proration unit for all pools or formations developed on 320-acre spacing within that vertical extent, including the East Dagger Draw-Strawn Gas Pool and Cemetery-Morrow Gas Pool. The unit is to be dedicated to the proposed Long Draw "10" Fee Com. Well No. 1, to be drilled at an orthodox location in the NW/4 SW/4 of Section 10. 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 West-Southwest of Seven Rivers, New Mexico. IN THE ABSENCE OF OBJECTION THIS MATTER WILL BE TAKEN UNDER ADVISEMENT.

CASE NO. 13719: Continued from June 22, 2006 Examiner Hearing

Application of OXY USA WTP Limited Partnership for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of Morrow formation in the following described spacing and proration units located in the W/2 of Section 24, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated North Illinois Camp-Morrow Gas Pool, the Undesignated Red Lake-Atoka Gas Pool and the Undesignated Chalk Bluff-Wolfcamp Gas Pool; the NW/4 for all formations and/or pools developed on 160-acre spacing; and the SE/4 NW/4 for all formations and/or pools developed on 40-acre spacing which includes but is not limited to the Chalk Bluff- Wolfcamp Pool. OXY proposes to dedicate the above-referenced spacing or proration units to its Peso State Well No. 1 to be drilled at a standard gas well location 1980 feet from the North line and 1530 feet from the West line (Unit F) of said Section 24. 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 OXY USA WTP Limited Partnership as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 8 miles southeast of Artesia, New Mexico.

CASE NO. 13750: Application of BP America Production Company for approval of a waterflood project, Eddy County, New Mexico. Applicant seeks approval of its Washington "33" State Lease Waterflood Project by injection of water into the Queen-Grayburg, San Andres formations through the following seven injection wells located in Section 33, Township 17 South, Range 28 East, NMPM:

Washington "33" State Well No. 2, 990' FNL & 930' FEL
Washington "33" State Well No. 4, 990' FNL & 2270' FEL
Washington "33" State Well No. 10, 2267' FNL & 1650' FWL
Washington "33" State Well No. 14, 2282' FNL & 970' FEL
Washington "33" State Well No. 16, 1500' FSL & 700' FEL
Washington "33" State Well No. 18, 1550' FSL & 2511' FEL
Washington "33" State Well No. 23, 975' FSL & 1060' FWL

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project

area without the necessity of further hearings and the adoption of any provisions necessary for such other matters as may be appropriate for said waterflood operations. Said area is located approximately 2 miles Southwest of Mossman, New Mexico.

CASE NO. 13730: Continued from July 6, 2006 Examiner Hearing

Application of Samson Resources Company for compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration units located in the S/2 of Section 12, Township 20 South, Range 33 East, N.M.P.M., Lea County, New Mexico: the S/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Quail Ridge Morrow Gas Pool; the Undesignated East Gem Morrow Gas Pool and the Undesignated Teas Pennsylvania Gas Pool; the SE/4 for all formation and/or pools developed on 160-acre spacing within this vertical extent; and the SE/4 SE/4 for all formation and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Teas Bone Spring Pool, the Undesignated Teas Delaware Pool and the Undesignated Teas-Yates-Seven Rivers Pool. Said units are to be dedicated to its Marshall 12 Fed Com Well No. 1 to be drilled as a deviated well from an unorthodox surface location 550 feet from the East line and 660 feet from the South line (Unit P) to a bottomhole location 660 feet from the East line and 660 feet from the South line (Unit P) of said Section 12 to an approximate depth of 13,700 feet. 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 Samson Resources Company as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 7 miles northeast of Halfway, New Mexico.

CASE NO.13740: Continued from July 6, 2006 Examiner Hearing

Application of BEP Co., 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 in the following described spacing and proration units located in the E/2 of Section 25, Township 23 South, Range 29 East, N.M.P.M., Eddy County, New Mexico: the E/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Undesignated Laguna Grande-Wolfcamp Gas Pool, the Undesignated Nash Draw-Atoka Gas Pool, the Undesignated Nash Draw-Strawn Gas Pool and the Undesignated Remuda - Wolfcamp Gas Pool; the SE/4 for all formation and/or pools developed on 160-acre spacing within this vertical extent; and the NE/4 SE/4 for all formation and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated Nash Drawn-Delaware Pool and the Undesignated Remuda -Wolfcamp Pool. Said units are to be dedicated to its Remuda Basin 25 State Well No. 1 to be drilled at a standard location 1980 feet from the South line and 660 feet from the East line (Unit I) of said Section 25 to an approximate depth 14,200 feet. 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 BEPCo., L.P. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 9 miles East of Loving, New Mexico.

CASE NO. 13742: Continued from July 6, 2006 Examiner Hearing

Application of OXY USA WTP Limited Partnership for Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation in the following described spacing and proration unit located in the S/2 of Section 31, Township 16 South, Range 32 East, N.M.P.M., Lea County, New Mexico: the W/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Fren Northeast-Morrow Gas Pool. OXY proposes to dedicate the above-referenced spacing or proration unit to its Great Horned Owl State Well No. 1 to be drilled at a standard gas well location 1120 feet from the South line and 1930 feet from the East line (Unit O) of said Section 31. 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 OXY USA WTP Limited Partnership as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 3 miles Northwest of Maljamar, New Mexico.

CASE NO. 13751: Application of Energen Resources Corporation for Pool Extension and Promulgation of Special Pool Rules for the North Burtner Devonian Pool, Lea County, New Mexico. Applicant seeks the extension of the pool boundaries of the North Burtner Devonian oil pool in the NE/4 of Section 3, Township 15 South, Range 33 East, NMPM to include the NW/4 of said Section 3. Applicant also seeks the adoption of Special Pool Rules and Regulations for the pool, including provisions for 80-acre spacing and proration units and designated well location requirements. The pool is located approximately 15 miles west of Lovington, New Mexico.

CASE NO. 13734: Continued from July 6, 2006 Examiner Hearing

Application of David H. Arrington Oil and Gas, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the E/2 of Section 34, Township 17 South, Range 23 East, NMPM, Eddy County, New Mexico, to form a standard 320-acre gas spacing and proration unit for any and all formations and or pools developed on 320-acres, including but not necessarily limited to the Wolfcamp formation, undesignated Cottonwood Creek Wolfcamp Pool. Said unit is to be dedicated to Applicant's proposed Chartreuse Spanker Well No. 1H to be drilled from a surface location 400' from the South line and 1880' from the East line and penetrating the producing interval at a point 660' from the South line and 1880' from the East line, to a bottom hole location 660' from the North line and 1880' from the East line 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 David H. Arrington Oil and Gas, Inc. or its designee as operator of the well and a charge for risk involved in drilling said well. The proposed well location is approximately 6 miles East of Hope, New Mexico.