

for any and all formations or pools developed on 160-acre spacing within that vertical extent; and the SW/4 SE/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, including the Undesignated Happy Valley-Delaware Pool and Undesignated Southeast Happy Valley-Bone Spring Pool. The unit is to be dedicated to the proposed Runaway "27" Fed. Com. Well No. 1, to be drilled at an orthodox location in the SW/4 SE/4 of Section 27. 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 4-1/2 miles south-southwest of Carlsbad, New Mexico.

CASE NO. 13780: Continued from the October 12, 2006 Examiner Hearing.

Application of Unit Petroleum Company for compulsory pooling and approval of a non-standard gas spacing and proration unit, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 of Section 17, Township 20 South, Range 36 East, NMPM, and in the following manner: The N/2 to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320 acre spacing within that vertical extent; the N/2 to form a non-standard 320-acre gas spacing and proration unit in the North Osudo-Morrow Gas Pool; the NE/4 to form a standard 160-acre gas spacing and proration unit for all formations and/or pools developed on 160 acre spacing within that vertical extent; and the NE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40 acre spacing within that vertical extent. The units are to be dedicated to the Monument 17 Well No. 1, to be drilled in the NE/4 NE/4 of Section 17. 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, as well as approval of the non-standard gas well unit. The well units are located approximately 7 miles southwest of Monument, New Mexico.

CASE NO. 13785: Continued from the September 28, 2006 Examiner Hearing.

Application of Ridgeway Arizona Oil Corporation for approval of a unit agreement, Catron County, New Mexico. Applicant seeks approval of the Cottonwood Canyon Carbon Dioxide Gas Unit Area, comprising 89,574.12 acres of federal, state, and fee lands described as follows:

Township 2 North, Range 20 West, N.M.P.M.

Sections 30-32: All

Township 2 North, Range 21 West, N.M.P.M.

Section 9: All

Sections 14-16: All

Sections 21-28: All

Sections 33-36: All

Township 1 North, Range 20 West, N.M.P.M.

Sections 4-9: All

Sections 16-21: All

Section 26: S½

Section 27: S½

Sections 28-35: All

Township 1 North, Range 21 West, N.M.P.M.

Sections 1-4: All

Sections 9-16: All

Sections 21-28: All

Sections 33-36: All

Township 1 South, Range 20 West, N.M.P.M.

Sections 2-10: All

Sections 16-21: All

Sections 28-33: All

Township 1 South, Range 21 West, N.M.P.M.

Sections 1-4: All

Sections 9-16: All

Sections 21-28: All

Sections 33-36: All

Township 2 South, Range 20 West, N.M.P.M.

Sections 5-8: All

Sections 18-19: All

Township 2 South, Range 21 West, N.M.P.M.

Sections 1-4: All

Sections 9-16: All

Sections 21-28: All

Sections 33-36: All

Township 3 South, Range 21 West, N.M.P.M.

Sections 3-4: All

The proposed unit area is centered approximately 33 miles west-southwest of Quemado, New Mexico.

CASE NO. 13799: *Application of COG Operating, L.L.C. for an unorthodox oil well location, Eddy County, New Mexico.* Applicant seeks to drill its proposed Harvard Federal Well No. 7 (API No. 30-015-35055) at an unorthodox Paddock oil well location 1090 feet from the North line and 330 feet from the West line (Unit D) of Section 12, Township 17 South, Range 30 East, which is located approximately four (4) miles northeast of Loco Hills, New Mexico. The NW/4 NW/4 of Section 12 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit in the Undesignated Loco Hills-Paddock Pool (96718).

CASE NO. 13800: *Application of Devon Energy Production Company, L. P. for an unorthodox gas well location, San Juan County, New Mexico.* Applicant seeks an exception to Division Rule 104.C (3) for its Northeast Blanco Unit Well No. 233 (API No. 30-045-32800) drilled to and completed in the South Los Pinos Fruitland Sand-Pictured Cliffs Pool (80690) from a surface location 1400 feet from the North line and 1 foot from the West line (Unit E) of Section 23, Township 31 North, Range 7 West, which is located approximately seven (7) miles north-northeast of the Navajo Dam on the San Juan River at the Navajo Reservoir. Applicant will submit proper evidence at the hearing, pursuant to Division Rule 111.B (4), to adequately show which acreage will be dedicated to this well in order to form a standard 160-acre gas spacing unit, either: (i) the NW/4 of Section 23; or (ii) the NE/4 of Section 22, Township 31 North, Range 7 West.

CASE NO. 13790: *Continued from the September 28, 2006 Examiner Hearing.*

Application of XTO Energy, Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks approval to drill its proposed Butte Well No. 4 at an unorthodox coal gas well location within the S/2 equivalent (Lots 3 and 4, the E/2 SW/4, and the SE/4) of Irregular Section 18, Township 30 North, Range 13 West, being a 252.20-acre lay-down gas spacing unit for the Basin-Fruitland Coal (Gas) Pool (71629), 480 feet from the South line and 440 feet from the West line (Unit N) of Irregular Section 18. This unit is located approximately 4.5 miles north by west of the Four Corners Regional Airport in Farmington, New Mexico.

CASE NO. 13801: *Application of U. S. Enercorp, Ltd. for an unorthodox oil well location, Rio Arriba County, New Mexico.* Applicant seeks an exception to Rule 4 (a) of the “Special Rules and Regulations for the West Puerto Chiquito-Mancos Oil Pool,” as promulgated by Division Order No. R-6469-B, as amended, for its proposed Almagre Arroyo “30” Well No. 1 to be drilled as a high angle directional well through the Mancos formation from a surface location 2605 feet from the South line and 2400 feet from the West line (Unit K) of Section 30, Township 24 North, Range 1 East, to an unorthodox subsurface oil well location 990 feet from the North and West lines (Lot 1/Unit D) of Section 30. All of Section 30 is to be dedicated to this well in order to form a standard 636.40-acre oil spacing and proration unit for the West Puerto Chiquito-Mancos Oil Pool (50440).

CASE NO. 13771: *(Re-advertised.) Amended Application of Kaiser-Francis Oil Company for promulgation of Special Pool Rules for the East Happy Valley Bone Spring Pool, for an exception to the Gas-Oil Ratio Limitation, and assignment of a Special Depth Bracket Allowable, Eddy County, New Mexico.* Applicant seeks an order establishing special pool rules for the East Happy Valley Bone Spring Pool comprised of the W/2 of Section 11, Township 22 South, Range 26 East, NMPM providing for 160-acre spacing and proration units with the option for a second well and designated well locations, including 330’ setback requirements. Applicant also seeks an exception from the gas oil ratio limitation under Division Rule 506 A that would permit wells drilled within each proration unit within the pool to produce up to a GOR limitation of four thousand cubic feet of gas for each barrel of oil produced, along with an increase in the depth bracket allowable to 382 under Division Rule 505. Applicant proposes that the applicability of the special pool rules be limited to the W/2 of said Section 11. Applicant is the operator of the Mesa-Grande 11 Well No. 2 (API No. 30-015-3720) completed in the Second Bone Spring formation at a location 2661’ FSL and 660’ FWL (Unit L) of Section 11, T22S, R26E. The well and lands are located approximately ½ mile southwest of Carlsbad, New Mexico.

CASE NO. 13594 (Order No. 12459): *Re-opened and Re-advertised. Continued from the September 14, 2006 Examiner Hearing.*

Application of Kaiser-Francis Oil Company To Amend Administrative Order NSL-5133 To Establish A Non-Standard Spacing and Proration Unit and for an Exception to Rule 104(B)(1), Eddy County, New Mexico. Applicant seeks the amendment of Administrative Order NSL-5133 to establish an 80-acre non-standard spacing and proration unit consisting of the SW/4 NW/4 and NW/4 SW/4 of Section 11, T-22-S R-26-E NMPM, Eddy County, New Mexico and for an exception to Rule 104(B)(1) for the completion of its Mesa Grande “11” Well No. 2 in the Bone Spring and Delaware formations drilled at an unorthodox oil well location 2661’ FSL and 660’ FWL (Unit L) of Section 11. The subject lands and well are located approximately ½ mile southwest of