

acre spacing within that vertical extent, including the Undesignated West Lusk-Yates Pool and Undesignated West Lusk-Bone Spring Pool. The units are to be dedicated to the Acme "10" Fed. Com. Well No. 1, to be drilled at an orthodox gas well location in the NE/4 SE/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 units are located approximately 12-1/2 miles southeast of Loco Hills, New Mexico.

CASE NO. 13841: Application of Koch Exploration Company, LLC for an order authorizing increased well density and simultaneous dedication on certain non-standard spacing units in the Basin-Fruitland Coal Gas Pool, San Juan County, New Mexico. Applicant seeks authorization to drill an additional coal gas well at a standard location in each of three existing non-standard gas spacing units in the Basin-Fruitland Coal Gas Pool. These three GPU's comprise the following acreage located in the narrow sections along the west side of Township 31 North, Range 8 West:

- A. W/2 equivalent of Section 6 and the NW/4 equivalent of Section 7
(The additional well is proposed at a standard location in the NW/4 of Section 6);
- B. SW/4 equivalent of Section 7 and W/2 equivalent of Section 18
(the additional well is proposed at a standard location in the NW/4 of Section 18); and
- C. W/2 equivalent of Section 19 and the NW/4 equivalent of Section 30
(the additional well is proposed at a standard location in the NW/4 of Section 19).

Applicant also seeks authorization to simultaneously dedicate each of these units to the three coal gas wells located thereon. This area is located approximately 6.5 miles West of the Los Pinos arm of the Navajo Reservoir approximately 30.66 miles North of Aztec, New Mexico.

CASE NO. 13842: Application of BP America Production Company for surface commingling of production from all formations and/or pools in the Gallegos Canyon Unit from existing and future wells, San Juan County, New Mexico.

Pursuant to Oil Conservation Division Rule 303.B applicant seeks an exception to the provisions of Division Rule 303.A to authorize surface commingling of hydrocarbon production from the all formations, in the Gallegos Canyon Unit from existing and future wells located in the Unit Area, San Juan County, New Mexico. This unit now encompasses 43,146.62 acres, more or less, of Federal, Indian Allotted, State and Fee lands, and is more fully described as follows:

TOWNSHIP 29 NORTH, RANGE 13 WEST, NMPM

Section 13: All
Sections 23 through 26: All
Sections 34 through 36: All

TOWNSHIP 29 NORTH, RANGE 12 WEST, NMPM

Section 16: SW/4
Sections 17 through 21: All
Section 22: W/2, SE/4
Section 25: W/2, SE/4
Sections 26 through 36: All

TOWNSHIP 28 NORTH, RANGE 11 WEST, NMPM

Section 7: All
Sections 18 and 19: All
Section 31: S/2

TOWNSHIP 28 NORTH, RANGE 12 WEST, NMPM

Sections 7 through 36: All

TOWNSHIP 28 NORTH, RANGE 13 WEST, NMPM

Sections 11 through 14: All
Sections 23 through 26: All
Sections 35 and 36: All

TOWNSHIP 27 NORTH, RANGE 12 WEST, NMPM

Sections 4 through 6: All

Section 9: N/2

The unitized interval includes all formations and contains wells that produce oil and natural gas from many formations and pools including, but not necessarily limited to, the Farmington formation, Fruitland Sand formation (West Kutz-Fruitland Sand Pool, Pinon-Fruitland Sand Pool, and North Pinon-Fruitland Sand Pool), Fruitland Coal formation (Basin-Fruitland Coal (Gas) Pool), Pictured Cliffs formation (Fulcher Kutz-Pictured Cliffs Pool and West Kutz-Pictured Cliffs Pool), Gallup formation (Totah-Gallup Oil Pool, Armenta-Gallup Oil Pool, Pinon-Gallup Oil Pool, Totah-Gallup Pool, Simpson-Gallup Oil Pool, and Cha Cha-Gallup Oil Pool) and Dakota formation (Basin-Dakota Pool). BP also requests authorization, prospectively, for surface commingle of production from additional formations and/or pools within the lands covered by this application in existing and future wells without additional notice or hearing. The center of the unit area is located approximately 5 miles Southeast of Farmington, New Mexico.

CASE NO. 13843: *Application of Parallel Petroleum Corporation for compulsory pooling and unorthodox well location, 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 N/2 of Section 19, Township 19 South, Range 21 East, N.M.P.M., Eddy County, New Mexico: the N/2 for all formations and/or pools developed on 320-acre spacing which includes but is not necessarily limited to the Gardner Draw-Morrow Gas Pool. Said unit is to be dedicated to its Drewford's Boombox 1921-19 Com Well No. 1 to be drilled at an unorthodox surface location 165 feet from the East line and 760 feet from the North line, and will penetrate the top of the Wolfcamp formation at a point 660 feet from the East line and 760 feet from the North line and a bottomhole location of 660 feet from the West line and 760 feet from the North line of Section 19, Township 19 South, Range 21 East to an approximate depth of 4350 feet to test any and all formations from the surface to the base of the Wolfcamp. 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 Parallel Petroleum Corporation as operator of the well and a charge for risk involved in drilling said well. Said area is located 12 miles southwest of Hope, New Mexico.

CASE NO. 13709: *Continued from June 8, 2006 Examiner Hearing*
Application of the New Mexico Oil Conservation Division for an Order Requiring K.P. Kauffman Company, Inc. to Plug 1 Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Lea County, New Mexico. The Applicant seeks an order requiring K.P. Kauffman Company, Inc. to plug the following well and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Mesa Queen 7 State #1	30-025-29200	660 FSL/1040FEL P-7-16S-32E

CASE NO. 13710: *Continued from May 11, 2006 Examiner Hearing*
Application of the New Mexico Oil Conservation Division for an Order Requiring Roberts SWD, LLC to Plug 1 Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Lea County, New Mexico. The Applicant seeks an order requiring Roberts SWD, LLC to plug the following well and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Keach #1	30-025-34565	467 FSL, 2310 FEL, O-4-20S-38E

CASE NO. 13715: *Continued from June 22, 2006 Examiner Hearing*
Application of the New Mexico Oil Conservation Division for an Order Requiring Willow Creek Resources, Inc. to Plug 1 Well and Ordering Forfeiture of Applicable Financial Assurance in Event of Operator's Non-Compliance, Eddy County, New Mexico. The Applicant seeks an order requiring Willow Creek Resources, Inc. to plug the following well and to forfeit applicable security:

<u>Well Name</u>	<u>API No.</u>	<u>Location</u>
Maudie Rickman #1	30-015-21064	2204 FSL/840 FWL L-3-23S-27E