

CASE NO. 13814: (Reopen and Re-advertise)

Amended Application of Chi Operating, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause 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 4, Township 22 South, Range 26 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 Happy Valley-Morrow Gas Pool and the Happy Valley-Atoka Gas Pool; the NE/4 for all formation and/or pools developed on 160-acre spacing within this vertical extent; and the NE/4 NE/4 for all formation and/or pools developed on 40-acre spacing which includes but is not necessarily limited to the Undesignated West Carlsbad-Delaware Pool. Said units are to be dedicated to its WC “4” Well No. 4 to be horizontally drilled from a non-standard surface location 1100 feet from the North line and 990 feet from the East line (Unit A) and a bottomhole location 1600 feet from the North line and 660 feet from the East line of said Section 4 to an approximate depth 11,500 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 Chi Operating, Inc. as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1 mile west of Carlsbad, New Mexico.

CASE NO. 13879: This Case will be dismissed.

Application of EOG Resources, Inc. for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all mineral interests in the Wolfcamp formation, in the S/2 of Section 4, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico to form a 320-acre project area for a horizontal well. Said unit is to be dedicated to its Meramac C 4 Fee Well No. 2H to be horizontally drilled from a surface location 660 feet from the South line and 200 feet from the East line to a depth of 5200 feet to penetrate the Wolfcamp formation to a bottomhole location 760 feet from the South line and 660 feet from the West line of said Section 4. 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 EOG Resources, Inc. as operator of the well and a 200% charge for risk involved in drilling said well. Said area is located approximately 7 miles northwest of Artesia, New Mexico.

CASE NO. 13880: This Case will be dismissed.

Application of EOG Resources, Inc. for unorthodox well location and simultaneous dedication, Chaves County, New Mexico. Applicant seeks authorization to simultaneously dedicate a standard 320-acre spacing unit comprised of the S/2 of Section 35, Township 15 South, Range 24 East, N.M.P.M., Chaves County, New Mexico in the Wolfcamp formation to its proposed Hasburg B 35 Fee Well No. 1H (API No. 30-005-63860) to be horizontally drilled from a surface location 2080 feet from the South line and 155 feet from the East line to a proposed bottomhole location 1880 feet from the South line and 660 feet from the West line and the existing Hasburg B 35 Fee Well No. 2H (API No. 30-015-63861) horizontally drilled from a surface location 760 feet from the South line and 157 feet from the East line to a bottomhole location 760 feet from the South line and 660 feet from the West line of said Section 35. Applicant also seeks approval of the unorthodox surface location for the Hasburg B 35 Fee Well No. 1H. Said area is located approximately 7 miles northwest of Artesia, New Mexico.

CASE NO. 13881: This Case will be dismissed.

Application of EOG Resources, Inc. for simultaneous dedication, Eddy County, New Mexico. Applicant seeks authorization to simultaneously dedicate a standard 320-acre spacing unit comprised of the S/2 of Section 1, Township 16 South, Range 24 East, N.M.P.M., Eddy County, New Mexico in the Wolfcamp formation to its proposed PO C 1 Fee Well No. 2H (API No. 30-015-34754) to be horizontally drilled from a surface location 760 feet from the South line and 660 feet from the East line to a proposed bottomhole location 760 feet from the South line and 660 feet from the West line and the existing PO C 1 Fee Well No. 1H (API No. 30-015-34753) horizontally drilled from a surface location 1880 feet from the South line and 660 feet from the East line to a bottomhole location 1929 feet from the South line and 1343 feet from the West line of said Section 1. Said area is located approximately 7 miles northwest of Artesia, New Mexico.

CASE NO. 13882: This Case will be dismissed.

Application of EOG Resources, Inc. for unorthodox well location and simultaneous dedication, Eddy County, New Mexico. Applicant seeks authorization to simultaneously dedicate a standard 320-acre spacing unit comprised of the S/2 of Section 6, Township 16 South, Range 25 East, N.M.P.M., Eddy County, New Mexico in the Wolfcamp formation to its proposed Seine C 6 Fee Well No. 1H (API No. 30-015-34801) to be horizontally drilled from a surface location 265 feet from the South line and 200 feet from the East line to a proposed bottomhole location 760 feet from the South line and 660 feet from the West line and the existing Seine C 6 Fee Well No. 2H (API No. 30-015-34800) horizontally drilled from a surface location 2440 feet from the South line and 215 feet from the East line to a bottomhole location 1880 feet from the South line and 660 feet from the West line of said Section 6. Applicant also seeks approval of the unorthodox surface

location for the Seine C 6 Fee Well No. 1H. Said area is located approximately 8 miles northwest of Artesia, New Mexico.

CASE NO. 13493: (Reopened) Continued from the February 15, 2007 Examiner Hearing.

Application of Chesapeake Permian, L.P. for Compulsory Pooling, Lea County, New Mexico. By Order No. R-12343-B issued by the Division on January 10, 2006, all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation underlying the S/2 of irregular Section 4, Township 21 South, Range 35 East, were pooled to form a standard 320-acre gas spacing and proration unit for any production from any and all formations/pools developed on 320-acre gas spacing within that vertical extent, including but not limited to the South Osudo Morrow Pool. The 320-acre unit is dedicated to the Chesapeake KF 4 State Well No. 1 (API #30-025-37129) drilled at a standard surface location 660 feet from the South line and 990 feet from the East line to a bottom hole location 711 feet from the South line and 1888 feet from the East line of said Section 4. Chesapeake Operating, Inc. was designated operator of the well and was directed to furnish the Division and each known pooled working interest owner, including non-consenting interest owners, with an itemized schedule of actual well costs within ninety (90) days following completion of the well. Pursuant to the Notice of Objection to Well Costs filed by Kaiser-Francis Oil Company, and Samson Resources Company, the Division will consider the costs of drilling and completing this well and will determine reasonable well costs. The well and unit are located approximately 6 miles west of Oil Center, New Mexico.

CASE NO. 13853: Continued from the February 15, 2007 Examiner Hearing.

Application of Myco Industries, Inc. for compulsory pooling, Chaves County, New Mexico. Myco Industries, Inc. seeks an order pooling all mineral interests in the Wolfcamp formation underlying the S/2 of Section 34, Township 15 South, Range 24 East, NMPM, to form a 320-acre gas spacing unit (project area) in the Wolfcamp formation. The unit is to be dedicated to the Starr 34 Fee Well No. 1, a horizontal well which will have an orthodox location within the producing area. 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 9-1/2 miles west-southwest of Lake Arthur, New Mexico.

CASE NO. 13856: Continued from the February 15, 2007 Examiner Hearing.

Application of Myco Industries, Inc. for compulsory pooling, Chaves County, New Mexico. Myco Industries, Inc. seeks an order pooling all mineral interests in the Wolfcamp formation underlying the N/2 of Section 34, Township 15 South, Range 24 East, NMPM, to form a 320-acre gas spacing unit (project area) in the Wolfcamp formation. This unit is to be dedicated to the Starr 34 Fee Well No. 2, a horizontal well which will have an orthodox location within the producing area. 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 9-1/2 miles west-southwest of Lake Arthur, New Mexico.

CASE NO. 13883: In the matter of the hearing called by the Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico for the production of gas from the Bone Spring formation and designated as the Golden Lane-Bone Spring Gas Pool (**Pool Code 97572**). The discovery well is the Yates Petroleum Corporation Temperate BEC Federal Well No. 1 (**API No. 30-015-34339**) located in Lot 13 of Section 6, Township 21 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM

Section 6: Lots 11, 12, 13 and 14

(b) CREATE a new pool in Chaves County, New Mexico for the production of gas from the Wolfcamp formation and designated as the Lake Arthur-Wolfcamp Gas Pool (**Pool Code 97574**). The discovery well is the Parallel Petroleum Corporation Dash for Cash Well No. 1 (**API No. 30-005-63785**) located in Unit D of Section 4, Township 15 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 14 SOUTH, RANGE 26 EAST, NMPM

Section 33: E/2

Section 34: N/2