

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

TOWNSHIP 15 SOUTH, RANGE 26 EAST, NMPM

Section 4: E/2

- (c) CREATE a new pool in Eddy County, New Mexico for the production of gas from the Upper Pennsylvanian formation and designated as the Little AAA Tank-Upper Pennsylvanian Gas Pool (**Pool Code 97576**). The discovery well is the Cimarex Energy Company of Colorado Taos Federal Well No. 1 (**API No. 30-015-34520**) located in Lot 4 of Section 31, Township 24 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 27 EAST, NMPM

Section 31: W/2

- (d) CREATE a new pool in Eddy County, New Mexico for the production of oil from the Wolfcamp formation and designated as the Lost Tank-Wolfcamp Pool (**Pool Code 97573**). The discovery well is the Lost Tank 4 Federal Well No. 20 (**API No. 30-015-34918**) located in Unit H of Section 4, Township 22 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 31 EAST, NMPM

Section 4: NE/4

- (e) CREATE a new pool in Eddy County, New Mexico for the production of oil from the Abo formation and designated as the Pavo Mesa-Abo Pool (**Pool Code 97575**). The discovery well is the Cimarex Energy Company of Colorado Bear Bryant 31 Federal Well No. 1 (**API No. 30-015-34906**) located in Unit L of Section 31, Township 16 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM

Section 31: SW/4

- (f) EXTEND the Chosa Draw-Morrow Gas Pool (**Pool Code 74900**) in Eddy County, New Mexico to include:

TOWNSHIP 25 SOUTH, RANGE 26 EAST, NMPM

Section 20: All

- (g) EXTEND the Collins Ranch-Wolfcamp Gas Pool (**Pool Code 75010**) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 24 EAST, NMPM

Section 21: E/2

- (h) EXTEND the Cottonwood Creek-Wolfcamp Gas Pool (**Pool Code 75250**) in Eddy County, New Mexico to include:

TOWNSHIP 16 SOUTH, RANGE 25 EAST, NMPM

Section 8: W/2

Section 10: N/2

Section 25: All

Section 26: S/2

Section 27: E/2

Section 28: S/2

Section 29: S/2

Section 36: All

- (i) EXTEND the West Cottonwood Creek-Wolfcamp Gas Pool (**Pool Code 75260**) in Chaves and Eddy Counties, New Mexico to include:

TOWNSHIP 15 SOUTH, RANGE 24 EAST, NMPM

Section 35: S/2

TOWNSHIP 16 SOUTH, RANGE 25 EAST, NMPM

Section 6: N/2

- (j) EXTEND the Dublin Ranch-Atoka Gas Pool (**Pool Code 76130**) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM

Section 26: N/2

- (k) EXTEND the Four Mile Draw-Wolfcamp Gas Pool (**Pool Code 97415**) in Eddy County, New Mexico to include:

TOWNSHIP 18 SOUTH, RANGE 23 EAST, NMPM

Section 28: W/2

- (l) EXTEND the South Greenfield-Wolfcamp Gas Pool (**Pool Code 97538**) in Chaves County, New Mexico to include:

TOWNSHIP 13 SOUTH, RANGE 27 EAST, NMPM

Section 33: All

- (m) EXTEND the Happy Valley-Morrow Gas Pool (**Pool Code 78060**) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM

Section 24: W/2

- (n) EXTEND the Horseshoe Bend-Morrow Gas Pool (**Pool Code 78680**) in Eddy County, New Mexico to include:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM

Section 34: E/2

- (o) EXTEND the North Illinois Camp-Morrow Gas Pool (**Pool Code 78890**) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 27 EAST, NMPM

Section 26: W/2

Section 34: E/2

Section 35: All

- (p) EXTEND the Loco Hills-Glorieta-Yeso Pool (**Pool Code 96718**) in Eddy County, New Mexico to include:

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

Section 9: SE/4

Section 11: All

Section 12: NW/4

Section 23: NE/4

- (q) EXTEND the North Loving-Atoka Gas Pool (**Pool Code 80694**) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM

Section 31: All

TOWNSHIP 23 SOUTH, RANGE 28 EAST, NMPM

Section 6: N/2

- (r) EXTEND the West Lusk-Morrow Gas Pool (**Pool Code 80840**) in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM

Section 5: N/2

- (s) EXTEND the West Malaga-Morrow Gas Pool (**Pool Code 80925**) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM

Section 20: S/2

Section 29: All

- (t) EXTEND the South Millman-Morrow Gas Pool (**Pool Code 81365**) in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM

Section 4: All

- (u) EXTEND the Otis-Atoka Gas Pool (**Pool Code 96891**) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM

Section 20: E/2

- (v) EXTEND the East Pierce Crossing-Bone Spring Pool (**Pool Code 96473**) in Eddy County, New Mexico to include:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM

Section 27: N/2

- (w) EXTEND the Revelation-Atoka Gas Pool (**Pool Code 97205**) in Eddy County, New Mexico to include:

TOWNSHIP 22 SOUTH, RANGE 25 EAST, NMPM

Section 3: E/2

- (x) EXTEND the West Salt Draw-Morrow Gas Pool (**Pool Code 96819**) in Eddy County, New Mexico to include:

TOWNSHIP 25 SOUTH, RANGE 27 EAST, NMPM

Section 1: N/2

TOWNSHIP 25 SOUTH, RANGE 28 EAST, NMPM

Section 6: All

- (y) EXTEND the North Seven Rivers-Glorieta-Yeso Pool (**Pool Code 97565**) in Eddy County, New Mexico to include:

TOWNSHIP 19 SOUTH, RANGE 25 EAST, NMPM

Section 22: All

IN THE ABSENCE OF OBJECTION, THIS CASE WILL BE TAKEN UNDER ADVISEMENT.